TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1[redacted] [redacted] 1919

No. [redacted] 1356

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 2.

DEFENDANTS' EXHIBITS.

FILED MAY 12, 1916.

(25292)

UNITED STATES

vs.

UNITED STATES STEEL CORPORATION.

DEFENDANTS' EXHIBITS, VOLUME II.

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Defendants' Exhibits Nos. 32 and 33.

Defendants' Exhibits Nos. 32 and 33 were marked for identification at pages 3709 and 3711 of Volume IX of the Testimony, and were subsequently offered in evidence and marked Defendants' Exhibits Nos. 80 and 81 at page 5732 of Volume XIV of the Testimony.

Defendants' Exhibits Nos. 34, 35 and 36.

Defendants' Exhibits Nos. 34, 35 and 36 were marked for identification only at pages 3712 and 3714 of Volume IX of the Testimony, and are not in evidence and not to be printed.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37.
Sheet 1
May 12, 1913.

IRON AND STEEL PRODUCTS.

Export Freight Rates.

From December 1, 1903 - 9-1/2¢ per 100 lbs. Pittsburgh to New York.

Advanced June 1, 1907 to 10-1/2¢ " 100 " " " " "

Import Freight Rates.

No material change since formation of U. S. Steel Corporation.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37
Sheet 3
May 12, 1913.

FREIGHT RATES.

IRON ORE.

From Lake Erie Ports to:

Year	Pittsburgh Dist.	M. & S. Valleys	Wheeling Dist.
May 1, 1900	"$1.18 G.T.	"$ .69	$.75 G.T.
May 1, 1903	" 1.18	" .69	.75
April 6, 1907	" 1.14	" .74	.75
Aug. 2, 1909	.96	.56	.60
Sept. 1, 1909	.96	.56	.60
Reduction of	11%	5%	20%

Average reduction to the three points of consumption of 12%.

"Average dock allowance to consignees in Pittsburghand Mahoning and Shenango Valleys up to Aug. 1, 1909, 10¢ per ton, and this is taken into consideration in figuring the above percentage.

April 28,1913.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37
Sheet 3
May 12, 1913.

FREIGHT RATES

BITUMINOUS COAL

From Pittsburgh, Pa., to:

	1901	1903	1912
Chicago	$1.75 N.T.	$1.90 N.T.	$1.90
Detroit	1.30	1.40	1.40
Toledo	1.15	1.25	1.25
Cleveland	.90	1.00	1.00
Youngstown	.60	.70	.70
New Castle	.60	.70	.70
Sharon	.60	.70	.70
Niles	.60	.70	.70
Struthers	.60	.70	.70

The average increase in rates since 1901 is 13%.

April 28, 1913.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37
Sheet 4
May 12, 1913.

COKE
Statement showing changes in Freight Rates.

	Jan. 1. 1900	July 1, 1901	Jan.1, 1903	1906 Oct.26th Via N&W Kenova & B. & O.	1906 Nov.20th Via N&W Columbus P.H. & P.R. R.	July 1, 1907
From Connellsville Region						
To						
Pgh. Dist. Mills East of Pittsburgh.	.60		.65			.75
Pittsburgh-B. & A.V.	.70		.75			.75
Sharpsburg,	.70		.75			.75
M. & S. V.	1.20		1.30			1.35
Cleveland-Lorain,	1.50		--			1.65
Columbus		1.55	1.65			1.65
Zanesville		1.30	1.40			1.45
Bellaire, etc.,	1.20		1.30			1.30
From Pocahontas Dist.						
To						
Columbus		1.25	1.55			1.55
Zanesville			1.65			1.65
Sharpsburg				2.45	2.45	

The average increase in rates since 1901 is 12%.

April 28, 1913.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37
Sheet 5
May 18, 1913.

LIMESTONE.

Statement showing changes in freight rates.

October 1st, 1912.

To		In Efct July 1901	Jan.1, 1902	In Efct April 1903	In Efct June 1904	June 26 1906	Prior to July 1 1907	May 1 1907	July 1 1907
Pittsburgh	Martinsburg	-	60	-	-	-	-	-	.65
And Union	Altoona	-	-	-	-	-	-	-	.65
R.R.Plants	Hillsville	-	-	-	-	-	.55	-	.60
	Martinsburgh	-	-	-	.775	-	-	-	.80
Clairton	Altoona	-	-	-	.60	-	-	-	.65
	Hillsville	-	-	-	-	-	.55	-	.60
	Martinsburgh	-	-	.85	-	-	-	-	.90
Donora	Altoona	-	-	.55	-	-	-	-	.60
	Hillsville	-	-	-	-	-	.55	-	.60
Mahoning &	Martinsburg	1.20	-	-	-	-	-	-	1.25
Shenango	Altoona	1.10	-	-	-	-	-	-	1.15
Valley Dist.	Hillsville	.38	-	-	-	-	-	-	-
Mingo and	Marble Cliff	.55	-	-	-	-	-	-	-
Bellaire	Martinsburg	-	-	-	-	-	-	-	1.25
Zanesville	Marble Cliff	.40	-	-	-	-	-	-	-
Columbus	Marble Cliff	.15	-	-	-	-	-	.20	-

The Average increase in rates since 1901 is 10%.

April 28th, 1913.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37
Sheet 6
May 12, 1913.

PIG IRON.

Statement showing changes in freight rates.

From Pittsburgh District to Various Eastern Points.

To	Feb. 1st 1901	Jan. 1st 1903	June 1st. 1907
Baltimore	$1.90	$2.10	$2.15
Buffalo	1.50	1.65	1.75
New York	2.20	2.40	2 45
Norfolk	2.40	2.60	2.65
Philadelphia	2.00	2.20	2.25

The Average Increase in rates since 1901 is 13%

From Pittsburgh District to Various Western Points

To	Feb. 1st 1901	Jan. 1st 1903	June 1st 1907
Chicago	$2.80	$2.70	$2.80
Cincinnati	1.90	2.10	2.20
Cleveland	1.25	1.40	1.40
Columbus	1.40	1.70	1.60
Detroit	1.90	2.10	2.15
Louisville	2.50	2.70	2.80
Milwaukee	2.90	3.10	3.20
Mississippi River	3.10	3.30	3.40
Toledo	1.50	1.70	1.75
Wheeling	.75	.85	.90
Youngstown	.75	.85	.90

The average increase in rates since 1901 is 14%.

April 28th, 1913.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37
Sheet 7
May 12, 1913.

BILLETS & ARTICLES TAKING BILLET RATES.

Statement showing changes in Freight Rates.

From Pittsburgh district to Various Eastern Points.

To	Feb. 1st 1901	Jan. 1st 1903	June 1st 1907
Baltimore	$2.10	$2.30	$2.30
Buffalo	1.55	1.70	1.80
New York	2.40	2.60	2.60
Norfolk	2.70	2.80	2.80
Philadelphia	2.20	2.40	2.40

The average increase in rates since 1901 is 9%.

From Pittsburgh District to Various Western Points.

To	Feb. 1st 1901	Jan. 1st 1903	June 1st 1907
Chicago	$2.70	$3.00	$3.00
Cincinnati	2.10	2.30	2.40
Detroit	2.10	2.15	2.25
Milwaukee	3.10	3.40	3.40
Mississippi River	3.30	3.60	3.70

The Average increase in rates since 1901 is 10%.

DEFENDANTS' EXHIBIT (FARRELL) NO. 37
Sheet 8
May 12, 1913.

FINISHED IRON AND STEEL ARTICLES

Statement showing changes in Freight Rates

From Pittsburgh District of Various Eastern Points.

To	Feb. 1st 1901	Jan. 1st 1903	June 1st. 1907
Baltimore	$.115	$.13	$.145
Boston	.16	.165	.18
New York	.13	.145	.16
Norfolk	.16	.18	.20
Philadelphia	.12	.135	.15

The average increase in rates since 1901 is 15%.

From Pittsburgh District to Various Western Points.

To	Feb. 1st 1901	Jan. 1st 1903	June 1st 1907
Chicago	$.15	$.165	$.18
Cincinnati	.12	.13	.15
Cleveland	.085	.095	.10
Detroit	.12	.13	.15
Milwaukee	.17	.185	.21
Mississippi River	.185	.205	.225

The average increase in rates since 1901 is 12%.

April 28th, 1913.

Defendants' Exhibit (Farrell) No. 38
May 12th, 1913.

UNITED STATES STEEL PRODUCTS COMPANY

STATEMENT OF TOTAL EXPORT SHIPMENTS.

1904 to 1912 Inc.

Year	Net Tons	Value
1904	1,123,322.6	$ 31,388,138.86
1905	1,052,258.9	32,680,700.45
1906	1,258,370.0	43,883,874.90
1907	1,099,934.2	47,236,326.60
1908	857,860.3	33,322,499.06
1909	1,120,442.8	41,060,920.77
1910	1,423,070.5	53,104,499.69
1911	1,918,387.3	69,548,905.55
1912	2,537,435.9	91,984,239.15
Total.....	12,391,082.5	$444,210,105.03

Defendants' Exhibit (Farrell) No. 39.

May 12, 1913.

AGENTS.

New York, May 1st, 1913.

Agents Total	231
Offices	20
Grand Total	251

UNITED STATES STEEL PRODUCTS COMPANY

30 Church Street, New York, N. Y., U. S. A.

Office of the PRESIDENT.

April 15th 1913.

Dear Sir:

The following is a revised list of our foreign offices and respective representatives:

ANTWERP WAREHOUSE—25 Rue de Londres
C. Bucher, Manager.
BATAVIA OFFICE—Noordwyk, Weltevreden, Java
W. H. A. Olthoff, Manager
BOMBAY OFFICE—166-170 Hornby Road
F. C. Foard, Acting Manager
BRUSSELS—11 Rue du Lombard
J. H. Fleming, Representative
BUENOS AIRES OFFICE—544 Bartolome Mitré
Pemberton Smith, General Representative
H. B. Tabor, Resident Engineer
Edward Galterio, Engineer
CAPETOWN OFFICE—New York Mutual Life Building
V. J. Hart, Representative
JOHANNESBURG OFFICE—Consolidated Building
A. E. Newson, Manager

LIMA OFFICE—Calle Carabaya (Coca) 482
R. J. Moser, Representative
LONDON OFFICE—36 New Broad Street, E. C.
H. T. Whigham, Manager
T. E. Taylor, Sales Manager
R. F. Gurney, " "
H. B. Fagnani, " "
F. H. Hewer, " "
MEXICO CITY OFFICE—Edificio de la Mutua
F. W. Müller, Manager
H. B. Pond, Resident Engineer
MONTREAL OFFICE—Bank of Ottawa Building
G. A. Childs, Representative, Wire Department
C. B. Rittenhouse, Representative, Steel Department
NEW GLASGOW OFFICE—P. O. Box 720
R. C. Grant, Special Representative
RIO DE JANEIRO OFFICE—42 Rua Candelaria
H. L. Van Tress, General Representative
SHANGHAI OFFICE—24 A Kiangse Road
J. W. Gallagher, Manager
W. H. Dietrich, Resident Engineer
SAO PAULO OFFICE—Rua Florencio de Abreu 12 A
C. A. zurHelle, Representative
SYDNEY OFFICE—New York Mutual Life Building
F. K. Smith, Manager
W. P. Walton, Assistant
TORONTO OFFICE—220 King Street West
F. C. Brunke, Manager of Sales
VALPARAISO OFFICE—Calle Blanco No. 705
T. N. Molanphy, General Representative
VANCOUVER OFFICE—846 Beach Avenue
F. E. Crean, Special Representative
WINNIPEG OFFICE—McArthur Building
A. W. Allyn, Manager

Yours truly,

E. P. THOMAS,
President.

AGENTS

ARGENTINE REPUBLIC

Bessler, Waechter & Co.	Buenos Aires
Drysdale & Co., J. & J.	"
Hasenclever & Co.	"
Sociedad Anonima Talleres Metalurgicoa	"
Dutihl-Smith, McMillan & Co.	"

AUSTRIA

Luzzatto & Figlio, L.	Trieste

AUSTRALIA

Bateman, J. & W.	Fremantle
Briscoe & Co., Ltd.	Melbourne
Harrold, Colton & Co.	Adelaide
Danks & Son, Ltd., John	Melbourne
Dalgety & Co.	Sydney
Elder Smith & Co.	Adelaide
Holdsworth, Macpherson & Co.	Newcastle
Johns & Waygood	Melbourne
Lassetter & Co., F.	Sydney
Mailler & Quereau	"
New Zealand Loan & Mercantile Agency Co.	Brisbane
Reid Bros. & Russell	Melbourne
Smellie & Co.	Brisbane
Smith & Co., C. H.	Launceston
Tinsley, Eliza	Melbourne
Fleming & Sons, Ltd., Peter	Brisbane
Queensland Pine Co., Ltd.	"
Berwin Co., Ltd., A.	Sydney
Bertlams, Limited	Townsville
Sharp & Sons, John	Melbourne
Queensland Machinery Co., Ltd.	Brisbane

BELGIUM

Fleming, J. H.	Brussels

BRAZIL

Amsinck & Co., G.	New York
Hasenclever & Co.	Sao Paulo
Monteath & Co.	Pernambuco

Nathan & Co.	Pernambuco
Viuva Villar e Filho	Ceara
W. E. Peck & Co.	Porto Alegre
L. B. de Almeida & Co.	Rio de Janeiro
Cunha, Santos & Co. (Thru Amsinck & Co.)	Maranhao

BRITISH INDIA

Oppenheimer & Co., Ltd., S.	Rangoon
Steel Bros. & Co.	"
Turnbulls (Glasgow) Ltd.	Calcutta

BRITISH WEST INDIES

Stiven, James B.	Kingston
Smith Bros. & Co.	Port of Spain
De Freitas, G. A.	Grenada

BULGARIA

Velico Christoff & Sons	Varna

CANADA

J. B. Smiley, Builders Supply Co.	Edmonton
Evans, Coleman & Evans	Vancouver
Gorman, Clancey & Grindley, Ltd.	Edmonton
Millen & Sons, Ltd., John	Montreal
Thompson & Co., B. & S. H., Ltd.	Montreal
Wilkinson Co., Ltd.	Vancouver
Pyke & Co., Jas. W.	Montreal
Factory Products, Ltd.	Toronto
Western Supply & Equipment Co., Ltd.	Alberta
A. D. Masson	Quebec
C. W. Marshall	Ottawa

CENTRAL AMERICA

Baruch & Co.	San Salvador, Salvador
Brandon & Bros., Isaac	Panamá, Rep. of Panamá
Hofius & Hildebrandt	Belize, Br. Honduras
Jeffries, Herbert O.	Panamá, Rep. of Panamá
Lowe, L. Leon	Zacapa, Guatemala
Meardi y Cia, M.	San Miguel, Salvador
Rossner & Co., J.	Amapala, Honduras
Sauenbrey y Cia, Carlos	Quezaltenango, Guatemala

Steinworth y Hermano, W.	San José, Costa Rica
Topke y Cia	Guatemala City, Guatemala
Van de Putte y Cia, Juan	Guatemala City, Guatemala
Warren & Co., C. J.	San Pedro Sula, Honduras
Palazio & Co., E.	Corinto, Nicaragua
Senn, J.	Guatemala City, Guatemala

CHILE

Balfour, Lyon & Co.	Valparaiso
Duncan Fox & Co.	"
Frazer & Co.	"
Gibbs & Co.	"
Gildermeister & Co.	Antofagasta
Grace & Co., W. R.	Valparaiso
Gleisner & Co.	Concepcion
Huth & Co.	Valparaiso
Lazonby & Co.	"
Lumsden, Juan	Santiago
Morrison & Co.	Valparaiso
McKay & Co., G. W.	Concepcion
Mitrovich & Co.	Iquique
Rose, Innes & Co.	Valparaiso
Swinglehurst & Co., Ltd.	"
Schumacher & Wulf	Santiago
Sociedad de Maestranzas y Galvanizacion	Valparaiso
Steel & Company	Coquimbo
Thieroldt, Juan	Santiago
Torretti, Roberto	"
Unwin, Jorje	"
Wessel, Duval & Co.	Valparaiso
Williamson, Balfour & Co.	"
Braun & Blanchard	Punta Arenas

CHINA

Shewan Tomes & Co.	Hong Kong
Samuel & Co., M. (Rockhill & Victor)	Shanghai

COLUMBIA

Berne & Co., O.	Barranquilla
Volkmann, Gustav	Bucaramanga
Pombo Hermanos	Cartagena

Alonso Angel e Hijos.....Medellin
Palacio & Mz Aparicio.....Honda
Meyerheim, Harold, B.....Medellin

CUBA

Bulle, G. .....Havana
Balbin y Valle, S.....Cienfuegos
Schumann & Co.....Santiago
Sobrinos de Bea y Cia.....Matanzas
Sussdorf, Zaldo & Co.....Havana
Stevens & Co., C. B.....“
American Steel Company.....“

CYPRUS

Peristiany Freres .....Limasson

DENMARK

Moller, Johs .....Copenhagen

DUTCH EAST INDIES

Schliefer & Co., Carl.....Batavia

DOMINICAN REPUBLIC

M. de Moya Hijo y Cia.....Sanchez
Thomen, V. P.....Santiago
Ihssen, Schumacher & Co.....San Pedro Macoris
Sociedad Anonima La
Industrial y Commercial.....Santo Domingo

ENGLAND

Dunn & Co., Wm.....London
Webster & Bro., James.....Liverpool

ECUADOR

Enrique Ribas .....Guayaquil

EGYPT

Stross, A. .....Alexandria
Rockhill & Victor, (M. Samuel & Co.) of London..Cairo

FORMOSA

Samuel Samuel & Co. (Thru Rockhill & Victor)..Taipeh

FRANCE
Vaslin, H. ..... Paris
De Vaux, P. N. ..... "

GERMAN SOUTH WEST AFRICA
Fricker, J. ..... Capetown

GREECE
Michel Chrissafides ..... Piraeus

HAITI
Huttlinger & Struller ..... New York

HAWAIIAN ISLANDS
Davies & Co., Theo. H. ..... Honolulu
Hall & Son, E. O., Ltd. ..... "

HOLLAND
Hartelust, B. ..... Luewarden
Robbers & Co., Henry ..... Amsterdam

INDIA
Lowrie & Co., Balmer ..... Calcutta
Oppenheimer & Co., Ltd., S. ..... Rangoon
Steel Bros. & Co. ..... "
Turnbulls, Ltd. ..... Calcutta

ITALY
Baer, Alberto ..... Genoa
Druck & Figli, Carlo ..... "
Moscini, A. ..... Milano

JAMAICA
Stiven, James B. ..... Kingston

JAPAN
Mitsui & Co. ..... Tokio
China & Japan Trading Co. ..... Kobe
Osaka Tube Syndicate (American Trading Co.) ..... Osaka

KOREA
Mitsui & Co., Ltd. ..... Seoul

MAURITIUS
Scott & Co. ..... Port Louis

MEXICO

Buchenau & Co. ..... Torreon Coahuila
Cueto & Co. ..... Tuxtla Gutierrez, Chiapas
Carlos Hering ..... Guadalajara, Jalisco
Delius & Co. ..... Tepic, State of Tepic
Deutz Hermanos
San Luis Potosi, State of San Luis Potosi
During y Cia, Sucs., M. ..... Vera Cruz, State of Vera Cruz
Fisher, R. (La Palma) ..... Zitacuaro-Michoacan
Franco Peredo, Sucs. ..... Tampico, Tamanlipas
Guillermo Peters y Cia. ..... Torreon, Coahuila
Gualterio Eikel ..... Aguascalientes, Aguascalientes
Huthoff, J. ..... Tapachula, Chiapas
Holck y Cia ..... Monterrey, Neuvo Leon
Ketelsen & Degetau, Sucs.
Chihuahua, State of Chihuahua
Krakauer, Zork & Moye
Chihuahua, State of Chihuahua
Luis Andresen ..... Morelia, Michoacan
Miguel Haro y Cia ..... San Geronimo, Oaxaca
Oldenburg, J. M., Sucs. ..... Colima
Peters y Cia ..... Durango, Durango
Rademacher, Muller y Cia ..... Guaymes, Sonora
Sommer, Hermann y Cia, Sucs. ..... Mexico City, Mexico
Sieber & Co., C. ..... Saltillo, Coahuila
Trueba, Pardo y Cia ..... Piedros Negros, Coahuila
Urunuela y Cia, P. ..... Acapulco, Guerrero
Wohler, Bartning, Sucs. ..... Mazatlan, Sinaloa
Mora, Rafael de la ..... Guadalajara
Ruffo, Antonio ..... La Pas, Lower California
Paulsen y Cia ..... Guadalajara, Jalisco
F. Stallforth & Hermano ..... Parral, Chihuahua
Zaragosa, S. en C., G. ..... Guaymas, Sonora

NEWFOUNDLAND

O'Driscoll, P. C. ..... Saint Johns

NEW ZEALAND

Burns & Co., J. ..... Auckland
Duthie & Co., J. ..... Wellington

Mason Struthers & Co. ..... Christchurch
Thompson, Bridger & Co. ..... Dunedin
Briscoe & Co. ..... Dunedin

NICARAGUA
Narcisso Lacayo y Cia. ..... Leon

NORWAY
Neilsen, C. O. ..... Christiania
Schreiner, P., S. en & C. ..... "

NOVA SCOTIA
McNeil & Co., Wm. P., Ltd. ..... New Glasgow
Stevens, E. F. ..... Halifax
Sydney Foundry & Machine Works, Ltd., The ..... Sydney

PERU
W. R. Grace & Co. ..... Lima
Duncan Fox & Co. ..... Lima
Wagner, Emilio F. ..... Lima

PHILIPPINE ISLANDS
American Hardware & Plumbing Co. ..... Manila
Findlay & Co. ..... Manila
Shewan Tomes & Co. ..... Manila

PANAMA (REP. OF)
American Trade & Developing Co.
Ehrman & Co. ..... Panama

PARAGUAY
Rius & Jorba ..... Asuncion

PORTO RICO
Fritze, Lundt y Cia, Sucs. ..... San Juan
Sanders, Philippi & Co. ..... Aguadilla

PORTUGAL
Street & Co., Ltd., F. ..... Lisbon

ROUMANIA
Comptoir Franco-Roumain A. G. ..... Carissy
Straus, A. Levy ..... Bucharest

SOUTH AFRICA

Ainsworth, H.	Johannesburg
Atkinson & Co.	Natal
Allen, Wack & Co.	Laurenco Marquez
Findlay & Co., Geo.	Cape Town
Hamilton & Co.	Johannesburg
Hubert Davies & Co.	Johannesburg
Mosenthal & Co.	East London
Mosenthal & Co., Adolph	East London
Premier, Gate, Fence & Seed Co.	Cape Town
Searle & Co., C.	Mossel Bay
United Engineering Co.	Johannesburg
Wiener & Co.	Cape Town
Philip Bros.	Port Elizabeth

SOUTH PACIFIC ISLANDS

Berwin & Co., Ltd., A.	Sydney, Australia

SPAIN

Desbeaux, H.	Barcelona

SWEDEN

Wiking, A. F.	Stockholm

SCOTLAND

Webster & Bro., James	Liverpool, Eng.

TASMANIA

T. J. Cane & Co.	Hobart
H. Jones & Co., Ltd.	"
Chas. H. Smith & Co.	Launceston

TURKEY IN ASIA

Al-Bort-Assad	Tripoli
Brazzafolli, Max	Mersina, Syria
Filippucci & Co., Jacq. J.	Smyrna
Persistiany & Freres	Allepo, Syria
Aziz Rizk & Co.	Beyrouth

TURKEY IN EUROPE

Roditi, A. Ekberie	Constantinople

TRINIDAD

Balfour, Williamson & Co.	Trinidad
De Freitas, G. A.	Grenada

URUGUAY

Hufnagel, Plottier & Co.	Paysandu
Pablo Mane y Cia.	Montevideo

VENEZUELA

Anez y Cia., J. A.	Maracaibo
Blohm & Co.	Ciudad Bolivar
M. Calderon y Hijos	Barquiseimeto
Boulton & Co., H. L.	Caracas

Defendants' Exhibit No. 40

Defendants' Exhibit No. 40, entitled "General Catalogue, United States Steel Products Export Company, New York, U. S. A., 1909," pursuant to agreement of counsel, is not to be printed.

Defendants Exhibit (Farrell) No. 41
May 12, 1913.

Partial List of Principal Products yielding higher prices f. o. b. mill for export than for domestic shipment, periods (so far as ascertained) and respective differences in favor of export prices. This list is not complete, as there are numerous other periods in which some products were sold higher for export than domestic, requiring exhaustive analysis of domestic and export selling prices, to properly classify.

Product:	Period:		Increase per Ton over Domestic:
Tin Plate (Charcoal)	1907		$22.20
Finished Structural Work	1907	Average	2.82
Spring Steel	1904	"	4.01
" "	1905	"	4.71
" "	Jan. Feb. 1906	"	3.81
" "	First half 1906	"	3.00
" "	Second " 1906	"	1.50
" "	1907	"	3.26
" "	Second half 1909	"	.50
" "	First half 1910	"	3.00
" "	First half 1911	"	.40
" "	First half 1912	"	3.00
" "	Second half 1912 and to date	"	2.00
Skelp	1907	"	.21
"	1912		.81
Blooms, Billets & Slabs	1907		.57
U. S. Piling	1907		2.32
" "	1908		5.60
" "	1909		2.72
Friestedt Piling	1908		.86
" "	1911		.72
Axles, smooth forged	1904		15.31
" " "	1905		7.38
" " "	1906		10.34
" " "	1908		3.19
" " "	1911		17.05
" " "	1912		7.37
Axles, rough turned	1904		1.07
" " "	1906		.65
" " "	1907		3.73
" " "	1911		4.27
" " "	1912		3.29
Axles, rough turned all over	1906		3.73
" " " " "	1907		6.44
" " " " "	1909		4.34
" " " " "	1911		11.80
" " " " "	1912		3.31

Defendants' Exhibit (Farrell) No. 41
Sheet 2
May 12, 1913.

Product:		Period:		Increase per Ton over Domestic:
Steel Wheels		1908		$6.35
" "		1909		13.76
" "		1910		8.75
" "		1912		10.13
Shapes		April & May 1909		.60
"		Oct.,Nov.,Dec.,1911		.60
Plates		April & May 1909		.60
"		Oct.,Nov.,Dec.,1911		.80
Bars		April & May 1909		.40
"		Oct.,Nov..Dec.,1911		.40
Hoops		1912		1.00
	Country:		Tons:	
Tee Rails	Ecuador	Nov. 1906	30,000	1.00
" "	Manchuria	Feb. 1907	42,256	.65
" "	Korea	Mar. 1907	11,785	1.60
" "	Peru	Apr. 1907	3,000	.50
" "	Peru	May. 1907	5,600	.50
" "	Peru	May. 1907	3,500	.50
" "	Japan	May 1907	5,657	.56
" "	Japan	July 1907	13,142	1.10
" "	Brazil	June 1908	1,000	5.20
" "	Mexico	June 1911	300	.47
" "	Canada	May 1912	600	2.00
" "	Canada	May 1912	500	.60
" "	Peru	Sept. 1912	590	.19
" "	Japan	Sept. 1912	2,828	.44
" "	Sp. Honduras	Oct. 1912	1,000	1.09
Manganese Tee Rails		1912		18.93
Light Rails- Various instances		1904/1912		1.00 to 2.00
Splice Bars		1904/1911		2.00
"		1912		5.00
Track Spikes		1st Six Months 1905		4.25
" "		1st Nine " 1905		3.00
" "		Entire Year 1905		2.14
" "		Jan. & Feb. 1906		.84
Pig Iron	Mexico Cuba Central America South America	May 1909 to May 1913	Average	.35

Defendants' Exhibit (Farrell) No. 41
Sheet 3
May 12, 1913.

Product:	Period:	Increase per Ton over Domestic:
Black Pipe	1906	$8.00
" "	1907	10.40
" "	1908	10.50
" "	1909	3.80
" "	1910	3.30
" "	1912 3/4" to 1-1/4"	2.20
" "	1912 1-1/4" to 2"	6.10
" "	1913	8.20
Galv. Pipe	1906	8.00
" "	1909	3.50
" "	1910	.60
" "	1911	2.40
" "	1912 3/4" to 1-1/4"	
" "	1912 1-1/4" to 2"	7.30
" "	1913	11.30
Tubular Steel Poles	Feb. 1907	4.00
" " "	Nov. 1910	3.00
" " "	Sep. 1911	3.00
" " "	Mar. 1912	5.00
" " "	Jan. 1913	5.00
Boiler Tubes	Jan. 1912	3.30
" "	Aug. 1912	14.00
Oil Country Goods	1904	9.24
" " "	1905	10.75
" " " First 2 mos.	1908	12.35
" " "	1907	
" " "	1908	11.78
" " "	1909	1.22
" " "	1910	6.57
" " "	1911	2.02
" " "	1912	1.56
" " "	Jan. 1913	.62
" "" "	Feb. 1913	1.84
O. D. & Miscellaneous	1904	5.07
" "	1905	10.17
" "	1907	6.41
" "	1908	11.17
" "	1909	4.75
" "	1911	1.10
" "	Jan. 1913	7.98
" "	Mar. 1913	22.08
Seamless Tubes	1907	34.68

Defendants' Exhibit (Farrell) No. 41
Sheet 4
May 12, 1913.

Product:	Period:	Increase per Ton over Domestic:
Plates and Sheets A.S. & W. Co.	1903	$2.33
Horse Shoes	1907	1.79
" "	1908	4.77
" "	1910	1.58
Toe Calks	1901	15.87
" "	1902	5.84
" "	1903	10.32
" "	1904	9.53
" "	1905	12.13
" "	1906	6.00
" "	1907	5.72
" "	1911	2.40
" "	1912	1.89
Rods, Basic and common acid	1904	.42
" "	1911	.35
" Elec. Steel and spec.	1905	11.59
" " " " "	1906	11.90
" " " " "	1907	3.83
" " " " "	1909	.52
Copper Billets and Rods	1904	10.72
" " " "	1907	107.93
Copper Wire	1903	48.80
" "	1904	2.64
" "	1905	13.32
" "	1907	31.51
Copper Rope	1908	74.47
" "	1910	6.87
Rubber Ins. Cable	1901	69.97
" " "	1902	101.96
" " "	1905	46.11
" " "	1906	16.12
" " "	1907	172.28
" " "	1908	111.98
" " "	1909	76.13
" " "	1910	80.28
Paper Ins. Cable	1908	38.28
" " "	1911	7.92
Ins. Wires	1901	15.02
" "	1905	6.42
Wire, annealed coarse	1905	3.08
" " "	1909	2.96
" " "	1910	2.29
" " "	1911	.25
" " "	1912	5.60
Wire spec. brt anld. and liq.fin.	1905	176.01
" " " " " " "	1906	158.75

Defendants' Exhibit (Farrell) No. 41
Sheet 5
May 12, 1913.

Product:	Period:	Increase per Ton over Domestic:
Wire spec. brt. annld. and Liq. fin.	1907	$9.50
" " " " " " "	1911	148.72
" " " " " " "	1912	174.23
Wire furn. spg.	1907	3.52
" " "	1909	1.96
" " "	1910	1.65
" " "	1911	2.23
" " "	1912	2.71
Wire shape	1905	8.98
" "	1906	4.50
" "	1908	5.62
" "	1909	12.38
" "	1910	19.64
" "	1911	7.62
" "	1912	4.54
Wire, round temp	1902	109.39
" " "	1903	200.91
" " "	1904	175.52
" " "	1905	483.83
" " "	1906	74.09
" " "	1907	55.67
" " "	1908	22.40
" " "	1909	66.02
" " "	1910	71.19
" " "	1911	7.80
" " "	1912	42.54
Wire, brt. and anld. weaving	1908	.24
" " " " "	1912	7.15
Std. and misc. wire nails	1907	1.76
Wire tacks	1901	3.89
" "	1902	11.22
" "	1908	20.62
" "	1909	19.30
" "	1910	22.23
" "	1911	28.83
" "	1912	36.29
Railroad spikes	1901	2.24
" "	1904	3.11
" "	1905	2.59
" "	1906	.12
" "	1908	4.64
" "	1909	.77
" "	1912	2.64
Boat spikes	1904	6.59
" "	1905	6.28
" "	1906	6.63
" "	1908	1.75
" "	1909	1.25
" "	1910	5.42
" "	1911	1.25

Defendants' Exhibit (Farrell) No. 41
Sheet 6
May 12, 1913.

Product:	Period:	Increase per Ton over Domestic:
Pole Steps	1908	$4.86
" "	1909	23.45
" "	1910	14.92
Staples, pol'd	1907	.43
" "	1909	2.58
" "	1910	2.76
" "	1911	6.04
" "	1912	8.04
Wire galv. fine	1904	22.91
Wire tinned coarse	1905	.76
" " "	1906	3.13
" " "	1907	1.65
" " "	1908	9.08
" " "	1909	2.02
Wire, tinned mattress and broom	1907	7.39
" " " " "	1909	2.91
" " " " "	1910	.92
" " " " "	1911	1.32
" " " " "	1912	.13
Wire, tinned fine	1901	139.55
Wire, galvd. barbed	1907	.32
" " "	1909	1.35
" " "	1910	2.69
" " "	1911	1.80
" " "	1912	.64
Wire, painted barbed	1906	3.31
" " "	1910	2.32
Wire, galvd. twisted	1907	12.53
" " "	1909	.36
" " "	1910	2.76
" " "	1911	1.46
" " "	1912	.11
Fence, American	1902	6.94
" "	1903	12.78
" "	1904	14.96
" "	1905	13.09
" "	1907	6.12
" "	1908	5.87
" "	1909	9.40
" "	1910	7.10
" "	1911	11.63
" "	1912	7.77
Fence, Anthony	1911	4.50
" "	1912	6.24

Defendants' Exhibit (Farrell) No. 41,
Sheet 7
May 12, 1913.

Product:	Period:	Increase per Ton over Domestic.
Fence, Ellwood	1903	$12.40
" "	1904	15.00
" "	1905	13.26
" "	1906	8.24
" "	1907	7.27
" "	1908	6.18
" "	1909	9.65
" "	1910	13.78
" "	1911	15.07
" "	1912	15.19
Fence, Nat.	1911	1.47
" "	1912	4.19
Fence, Union lock	1911	4.59
Fence, all other	1905	12.79
" " "	1906	18.32
" " "	1908	1.93
" " "	1910	27.39
" " "	1911	6.18
Square and Diag. mesh net	1907	22.19
" " " " "	1911	29.63
" " " " "	1912	11.10
Hex. net	1902	26.05
" "	1903	144.39
" "	1905	.14
" "	1906	.48
" "	1908	25.98
" "	1909	16.56
" "	1910	29.47
" "	1911	27.11
" "	1912	17.62
Concrete Rein.	1907	2.90
" "	1909	1.24
" "	1911	1.37
" "	1912	2.45
G a t e s	1903	9.89
"	1904	30.35
"	1905	9.66
"	1906	16.45
"	1907	33.53
"	1908	38.59
"	1909	46.48
"	1910	43.89
"	1911	41.67
"	1912	37.68
P o s t s	1911	9.81
"	1912	5.38
Bale Ties, ein. loop	1901	3.10
" " " "	1902	7.13
" " " "	1903	3.75

Defendants' Exhibit (Farrell) No. 41
Sheet 8
May 12, 1913.

Product:	Period:	Increase per Ton over Domestic:
Bale Ties, ein. loop	1904	$3.20
" "	1905	3.14
" "	1906	15.62
" "	1907	11.96
" "	1908	5.22
" "	1909	2.75
" "	1910	2.54
" "	1911	.64
Bale Ties, cross head	1908	7.32
" "	1912	1.84
Bale Ties, all other	1911	8.58
" " "	1912	3.85
Wire hoops	1903	2.72
" "	1908	7.56
" "	1909	5.34
" "	1910	9.60
" "	1911	18.94
" "	1912	22.36
Galv. strand	1904	1.16
" "	1906	1.01
Shafting	1912	2.03
Springs, hot wound	1901	98.78
" " "	1902	36.74
" " "	1903	49.59
" " "	1904	47.63
" " "	1905	160.44
" " "	1906	43.77
" " "	1907	117.84
" " "	1908	38.34
" " "	1909	57.20
" " "	1910	59.71
" " "	1911	91.09
" " "	1912	69.14
Springs, furn.	1901	3.44
" "	1903	.17
" "	1904	9.50
" "	1905	25.59
" "	1906	15.59
" "	1907	13.83
" "	1908	25.19
" "	1909	32.85
" "	1910	26.85
" "	1911	30.79
" "	1912	11.19
Spring, spiral	1904	6.55
Springs, jig	1901	26.43
" "	1902	48.87
" "	1903	112.11
" "	1904	61.13

Defendants' Exhibit (Farrell) No. 41
Sheet 9
May 12, 1913.

Product:	Period:	Increase per ton over Domestic:
Springs, Jig	1907	28.01
" "	1908	19.72
" "	1909	111.66
" "	1910	22.72
" "	1911	51.86
" "	1912	39.41
Colled Rolled Wire	1907	3.37
" " "	1908	5.38
Flat Specialty Wire	1901	4.88
" " "	1903	17.08
" " "	1904	18.44
" " "	1905	43.75
" " "	1906	54.39
" " "	1907	18.78
" " "	1908	9.12
" " "	1909	3.52
" " "	1910	7.52
" " "	1911	7.52
" " "	1912	29.03
Flat wire springs	1903	55.51
" " "	1906	2.41
" " "	1912	147.54
Tramway	1911	26.16
Sulphate of iron	1902	.88
" "	1907	1.96
" "	1908	3.10
" "	1909	1.46
" "	1910	1.86
" "	1911	1.16
" "	1912	1.13

Defendants' Exhibit (Farrell) No. 43
May 13, 1913.

COMPARATIVE STATEMENT OF SHIPMENTS AND GROSS SALES (f.o.b. Mills)

In Export and Domestic Business

For the years 1904 and 1912

	1904	1912	Per Cent. of Increase
EXPORT SHIPMENTS			
Gross Tons	1,001,716	2,243,138	123.8
Selling Value	$27,263,915	$76,812,253	181.7
Average Per Gross Ton	$27.22	$34.24	25.8
DOMESTIC SHIPMENTS			
Gross Tons			
Total including shipments of rolled material to Bridge Company for fabricating, but excluding fabricated material	5,818,149	10,877,544	87.0
Selling Value			
Total for the foregoing Tonnage	$240,524,533	397,379,086	65.2
Average per Gross Ton	$41.34	$36.53	11.6 Dec.

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DOMESTIC SHIPMENTS OF FABRICATED STEEL BY AMERICAN BRIDGE COMPANY ON BASIS OF COMPLETED CONTRACTS:			
Gross Tons	Not available	466,511	
Selling Value	$32,662,740	$26,385,724	19.2 Dec.
Average per ton	- -	$56.56	

TONNAGE OF EXPORTS OF IRON AND STEEL BY U. S. STEEL CORPORATION INTERESTS

For the Years Shown Below

(All figures in gross tons)

	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912
Pig iron	1,240	- -	10	- -	- -	- -	17,698	7,337	6,500	14,347	37,221
Scrap, Iron & Steel	1,402	1,178	- -	- -	- -	- -	4,200	1,000	474	12,298	9,133
Billets, Blooms and Ingots	107	12,714	316,030	238,696	199,467	75,297	118,425	96,000	63,113	236,587	264,786
Steel Rails	30,382	55,336	253,588	189,910	226,311	226,310	126,369	223,152	271,233	333,118	392,438
Wire Rods	36,509	26,659	29,933	13,761	14,949	8,743	10,119	22,132	23,029	18,486	60,021
Steel Bars, Hoops & Bands	6,181	11,435	33,329	29,080	53,467	66,071	36,529	60,542	102,310	108,544	175,269
Plates & Sheets I. & S. (Incl. Skelp)	10,070	19,681	82,357	117,049	140,331	156,207	111,641	176,793	252,331	331,419	505,225
Structural Shapes & Work, I. & S.	15,760	18,721	40,132	61,747	87,832	109,773	95,095	87,045	118,947	178,480	227,485
Tin and Terne Plate	1,150	228	8,776	8,046	13,425	11,078	12,842	12,125	17,545	62,307	74,919
Wire, Barbed	54,753	54,467	66,625	79,494	79,124	70,919	59,813	68,707	70,282	84,170	80,199
Wire, All Other	38,858	51,029	46,184	60,883	81,178	77,195	62,154	69,319	74,615	100,705	115,667
Wire Nails, Cut Nails, Tacks and all other Nails & Spikes	30,663	37,838	38,725	39,512	46,089	42,116	30,541	35,886	51,380	59,602	71,276
Pipe, Tubing & Fittings	40,918	52,141	64,771	67,878	81,209	116,538	70,894	99,098	110,489	125,528	183,073
Total for above commodities	267,993	341,427	980,480	906,056	1,023,382	960,247	756,420	959,136	1,162,248	1,665,591	2,196,712
Other Sundry Iron & Steel Products of Classes which Government Statistics do not show separately or specifically	7,840	9,397	21,256	22,843	26,335	24,794	18,925	26,338	33,217	42,896	46,426
Grand Total	275,833	350,824	1,001,716	928,899	1,049,717	985,041	775,345	985,474	1,195,465	1,708,487	2,243,138

Defendants' Exhibit (Farrell) No. 45
May 13, 1913.

UNITED STATES STEEL CORPORATION.

EMPLOYES AND PAY ROLL.

Year ending December 31st	Number Employes	Total Pay Roll	Average Yearly Wage
1902	168,127	$120,528,343	$716.88
1903	167,709	120,763,896	720.08
1904	147,343	99,778,276	677.18
1905	180,158	128,052,955	710.78
1906	202,457	147,765,540	729.86
1907	210,180	160,825,822	765.18
1908	165,211	120,510,829	729.44
1909	195,500	151,663,394	775.77
1910	218,435	174,955,139	800.95
1911	196,888	161,419,031	819.85
1912	221,085	189,351,602	856.70

The advance in wages effective February 1st, 1913, makes average wage for 1913 about $920.00

Defendants' Exhibit (Farrell) No. 46
May 13, 1913

CAN STEEL & WIRE COMPANY -- TOTAL SHIPMENTS

	YEAR 1900			YEAR 1911		
	Tons N.T.	Selling Value	Per Cent of Total Selling Value	Tons N.T.	Selling Value	Per Cent of Total Selling Value
	96,616	$ 5,377,199.88	9.62	174,909	$ 6,983,747.79	8.30
	96,840	6,409,886.95	11.47	234,016	10,871,295.38	12.92
	- -	- - -	- -	18,590	556,522.42	.66
	134,166	7,942,289.92	14.21	214,748	9,278,898.91	11.02
	2,208	134,667.95	.24	3,682	147,962.88	.17
	- -	- - -	- -	19,161	878,475.81	1.04
	1,237	114,671.04	.20	- -	- - -	- -
	10,811	719,262.84	1.29	- -	- - -	- -
	- -	- - -	- -	25,449	1,841,195.75	2.19
	273,325	14,218,511.64	25.45	* 339,529	13,274,838.90	15.78
	2,155	221,035.53	.40	+ 1,167	142,069.56	.17
	2,521	114,346.95	.20	7,025	268,760.62	.32
	36,093	2,402,532.47	4.30	343,805	15,042,907.04	17.83
	- -	- - -	- -	12,833	638,636.83	.76
	2,221	252,155.35	.45	11,196	1,115,335.27	1.32
	9,692	545,718.79	.98	18,439	728,438.55	.86
	11,112	758,738.17	1.36	41,898	2,269,213.12	2.70
	286	17,061.54	.03	8,539	402,931.86	.49
	4,275	1,064,271.30	1.90	12,057	2,344,123.85	2.78
	1,576	232,319.22	.42	11,577	1,065,466.12	1.26
	2,734	153,927.38	.28	6,595	271,383.75	.32
	2,656	259,895.98	.47	14,679	1,412,784.74	1.68
	- -	- - -	- -	5,544	478,571.20	.57
A	21,599	4,989,779.22	8.93	# 16,531	4,984,464.44	5.93
	- -	- - -	- -	4,622	332,455.07	.40
	- -	- - -	- -	89	24,669.41	.03
	2,634	964,637.84	1.73	8,854	2,449,652.90	2.91
	- -	- - -	- -	745	411,929.98	.49
	3,243	338,954.72	.60	1.565	265,190.18	.32
	718,000	$47.231,864.68	84.53	1,557,844	$78,481,922.33	93.22
	G.T.			G.T.		
	28,870	591,061.47	1.06	126	1,861.40	- -
	43	1,187.36	- -	110	3,850.73	- -
	5,818	162,685.09	.29	4,311	92,533.00	.11
	81,039	3,253,132.72	5.82	118,303	3,284,150.40	3.90
	6,146	219,188.03	.39	- -	- - -	- -
	45,560	1,846,875.02	3.31	1	157.66	- -
	13,745	402,826.51	.72	- -	- - -	-
	5,916	324,632.41	.58	- -	- - -	- -
	11,092	721,308.30	1.29	14,692	1,151,744.99	1.37
	807	80,372.10	.15	- -	- - -	- -
	5,260	63,067.15	.11	- -	- - -	- -
	204,296	$ 7,666,336.16	13.72	137,543	$ 4,534,298.18	5.38
	922,296	$54,898,200.84	98.25	1,695,387	$83,016,220.51	98.60
	- -	- - -	- -	G.T. 53,690	776,856.77	.92
	- -	- - -	- -	N.T. 35,910	319,076.85	.38
	- -	978,951.00	1.75	N.T. 428	93,174.32	.10
	922 296	$55,877,151.84	100.00	1,785,415	$84,205,328.45	100.00

* Includes Miscellaneous Nails in 1911.
\+ Includes Tacks only, in 1911.
\# Includes in 1911:

	Tons	Selling Value
Rubber Insulated Cable.....	4,954	1,844,316.32
Paper Insulated Cable.....	2,996	485,019.83
Insulated Wires.....	8,581	2,655,128.29
	16,531	$4,984,464.44

Defendants' Exhibit (Farrell) No. 47
Sheet 1
May 14, 1913.

COMPARATIVE STATEMENT OF PRODUCTION OF TIN PLATE BY UNITED STATED STEEL CORPORATION AND ALL OTHER MANUFACTURERS IN UNITED STATES IN THE CALENDAR YEAR 1901.

	CORPORATION		OTHER MANUFACTURERS	
	Tons	%	Tons	%
Total Tin Plate Production.....291.633 (As reported by American Iron & Steel Ass'n.)		73.0	107,658	27.0
Eliminating from the foregoing the tonnage which was exported..... None			None	
Leaves comparative competitive production for the domestic trade....291,633		73.0	107,658	27.0

DOMESTIC CONSUMPTION OF TIN PLATE

	Tons	%
Produced by Corporation for domestic use.....291,633		61.1
Produced by Other Manufacturers for domestic use.....107,658		22.6
Imported for domestic use.....	78,014	16.3
Total Tin Plate for domestic use.....477,295		100.0

Defendants' Exhibit (Farrell) No. 47
Sheet 2
May 14, 1913.

COMPARATIVE STATEMENT OF PRODUCTION OF TIN PLATE BY UNITED STATES STEEL CORPORATION AND ALL OTHER MANUFACTURERS IN UNITED STATES IN THE CALENDAR YEAR 1911

	CORPORATION		OTHER MANUFACTURERS	
	Tons	%	Tons	%
Total Tin Plate Production..... (As reported by American Iron & Steel Ass'n.)	476,036	60.7	307,924	39.3
Eliminating from the foregoing the tonnage which was exported.....	62,307	100.0	- - -	- -
Leaves comparative competitive production for the domestic trade....	413,729	57.3	307,924	42.7

DOMESTIC CONSUMPTION OF TIN PLATE

	Tons	%
Produced by Corporation for domestic use.....	413,729	56.2
Produced by Other Manufacturers for domestic use....	307,924	41.9
Imported for domestic use.....	14,099	1.9
Total Tin Plate for domestic use.....	735,752	100.0

Defendants' Exhibit (Farrell) No. 49.

May 16, 1913.

Office of
VICE-PRES'T & GEN'L SALES AGENT
AMERICAN STEEL & WIRE CO.
Commercial National Bank Building,
CHICAGO.

FRANK BAACKES, Vice-Pres't & Gen'l Sales Agent.

(In pencil:)
Supervisor Jackson and a man from Roebling's.

(Stamped:)
President's Office
RECEIVED.
Jan 23 1908
Ans'd_____

CHICAGO, January 22nd, 1908.

MR. FARRELL:

Several times I have meant to see you with reference to the exporting of some of our association goods, on which it seems that you have taken the position that you are not going to be tied by any agreement we have made with the domestic manufacturers.

I don't believe that Mr. Cragin thoroughly understands your position because I cannot imagine your taking such a stand that would affect the interests of the company in their domestic business. What I have special reference to is weatherproof wire, and while you have a certain amount of latitude and freedom in making prices owing to the world's competition, at the same time I know that you always take into consideration the domestic situation. Now this weatherproof wire is practically an American product and there is no reason why we should not maintain absolutely the domestic prices, provided it is so understood by all of the manufacturers.

I understand that a committee has been appointed to wait on you in this matter and I want you to acquiesce in the position we take because we are doing a very fine business in our electrical lines, having made more money during the past year than we have any two or three years previously, and this is

all due to the close co-operation among manufacturers. If this proposition was all a free lance affair, there would not be enough profit for anyone to do business, and it would simply be a question of consuming copper without profit.

Yours very truly,

(Signed) F. BAACKES.

Defendants' Exhibit (Farrell) No. 50.

May 16, 1913.

January 23, 1908.

MR. F. BAACKES, Vice-President & General Sales Agent,
American Steel & Wire Company,
Chicago, Ill.

Dear Sir:—

WEATHERPROOF WIRE:

Replying to your letter of January 22nd: You are correct in assuming that we would not take any stand that would affect the interests of your company in its domestic business. There is not, however, any reason why we should receive deputations from Associations which we know nothing about, and with which we have no connection. For obvious reasons it is preferable that we should have nothing to do with them, and that is the reason why we have not encouraged Supervisor Jackson and the deputation he desires to bring with him to discuss our policy.

If you have any recommendations to make with regard to the prices we shall quote on weatherproof wire, or any other of the products of your company, of course we shall respect your wishes, and presume you would prefer to handle them direct with us rather than through outside mediums.

Yours very truly,

President.

Defendants' Exhibit (Farrell) No. 51.

May 16, 1913.

Office of
VICE-PRES'T & GEN'L SALES AGENT
AMERICAN STEEL & WIRE CO.
Commercial National Bank Building,
CHICAGO.

FRANK BAACKES, Vice-Pres't & Gen'l Sales Agent.

CHICAGO, January 25th, 1908.

MR. FARRELL:

Answering your favor of the 23rd instant. No, indeed, I don't want Supervisor Jackson or anyone else to go to see you which is the reason I wrote you as I did. I don't quite understand why it was that this resolution was taken by the manufacturers; Mr. Cragin should have prevented it. What I would wish you to do is, if Mr. Cragin asks it, you maintain absolutely the domestic prices on weatherproof—he is handling that proposition.

Yours very truly,
(Signed) F. BAACKES.

Defendants' Exhibit (Joyce) No. 52.

May 27, 1913.

TENNESSEE COAL & IRON pledged in loans			
71,700 @ 105			$7,528,500
Require at 120	$8,605,000		
do 84			7,228,760
Loss about 400 bonds, costing			$299,740
Exchange			
20,000 stock for	$2,400,000	Bonds	
Less amount received	1,200,000		Gain
			$1,200,000
15,000 stock	$1,800,000	"	
Due against same	1,000,000		
			800,000
15,000 stock	$1,800,000	"	
Due against same	1,000,000		
			800,000
36,000 shares Free Stock			4,320,000
			$7,120,000
			Bonds
Less above			400,000
			$6,720,000

@ 84=$5,644,800.

Defendants' Exhibit (Joyce) No. 53.

May 28, 1913.

Pledged in loans			
T. C. & I.			
71700 @ 105			$7,528,500
Require @ 120	$8,605,000		
@ 84			7,228,760
Loss about 400 Bonds costing			$300,000
Exchange			
20000 stock for	$2,400,000	Bonds	
Less amt recd	1,200,000		Gain
			$1,200,000
15000 stock	$1,800,000	"	
due against same	1,000,000		
			800,000
15000 stock	1,800,000	"	
due against same	1,000,000		
			800,000
36000 shs free stock			4,320,000
			$7,120,000
less above			400,000
			$6,720,000

@ 84.=$5,644,800

157,700 shs

Defendants' Exhibit (Gary) No. 54.

May 28, 1913.

Office of J. P. MORGAN & CO.,

23 Wall Street, New York.

March 2, 1901.

To the Stockholders of

FEDERAL STEEL COMPANY,
NATIONAL STEEL COMPANY,
NATIONAL TUBE COMPANY,
AMERICAN STEEL AND WIRE COMPANY OF NEW JERSEY,
AMERICAN TIN PLATE COMPANY,
AMERICAN STEEL HOOP COMPANY,
AMERICAN SHEET STEEL COMPANY.

The UNITED STATES STEEL CORPORATION has been organized under the laws of the State of New Jersey, with power, among other things, to acquire the outstanding preferred stocks and common stocks of the Companies above named and the outstanding bonds and stock of the Carnegie Company.

A SYNDICATE, comprising leading financial interests throughout the United States and Europe, of which the undersigned are Managers, has been formed by subscribers to the amount of $200,000,000 (including among such subscribers the undersigned and many large stockholders of the several Companies), to carry out the arrangement hereinafter stated and to provide the sum in cash and the financial support required for that purpose. Such Syndicate, through the undersigned, has made a contract with the United States Steel Corporation, under which the latter is to issue and deliver its Preferred Stock and its Common Stock and its Five Per Cent. Gold Bonds in consideration for stocks of the above-named Companies and bonds and stock of the Carnegie Company and the sum of $25,000,000 in cash.

The Syndicate has already arranged for the acquisition of substantially all the bonds and stock of the Carnegie Company, including Mr. Carnegie's holdings. The bonds of the

United States Steel Corporation are to be used only to acquire bonds and 60 per cent. of the stock of the Carnegie Company.

The undersigned, in behalf of the Syndicate, and on the terms and conditions hereinafter stated, offer, in exchange for the preferred stocks and common stocks of the Companies above named, respectively, certificates for Preferred Stock and Common Stock of the United States Steel Corporation, upon the basis stated in the following table, viz.:

For each $100 par value of stock of the class mentioned below, the amount set opposite thereto in Preferred Stock or Common Stock of United States Steel Corporation at par:

	Amount of New Stock to be Delivered in Par Value.	
Name of Company and Class of Stock.	Preferred Stock.	Common Stock.
Federal Steel Co., Preferred stock	$110.	
" " Common stock	4.	$107.50
American Steel and Wire Co. of N. J., Preferred stock	117.50	
American Steel and Wire Co. of N. J., Common stock		102.50
National Tube Co., Preferred stock	125.	
" " Common stock	8.80	125.
National Steel Co., Preferred stock	125.	
" " Common stock		125.
American Tin Plate Co., Preferred stock	125.	
" " " Common stock	20.	125.
American Steel Hoop Co., Preferred stock	100.	
" " " Common stock		100.
American Sheet Steel Co., Preferred stock	100.	
" " " Common stock		100.

With reference to the last four Companies the aggregate amount of stocks so to be offered was arranged with the principal stockholders of those Companies, who have requested the distribution of such amount among the four Companies to be made in the percentages above stated.

Proper adjustment will be made in respect of dividends upon all the deposited preferred stocks, so that the registered holders of receipts for such preferred stocks will receive the equivalent of dividends thereon, at the rates therein provided, from the last dividend period up to APRIL 1, 1901, from which date dividends on the Preferred Stock of the United States Steel Corporation are to begin to accrue. Deposited common stocks must carry all dividends or rights to dividends declared or payable on or after MARCH 1, 1901, and no adjustment or allowance will be made in respect thereof.

For the purpose of avoiding the necessity of interruption in the declaration and payment of dividends, when earned, upon the common stock, concurrently with the payment of dividends upon the preferred stock, there has been inserted in the charter of the United States Steel Corporation a provision to the effect that whenever all quarterly dividends accrued upon the preferred stock for previous quarters shall have been paid, the Board of Directors may declare dividends on the common stock out of any remaining surplus or net profits.

Statements furnished to us by officers of the several companies above named, and of the Carnegie Company, show that the aggregate of the net earnings of all the companies for the calendar year 1900 was amply sufficient to pay dividends on both classes of the new stocks, besides making provision for sinking funds and maintenance of properties. It is expected that by the consummation of the proposed arrangement the necessity of large deductions heretofore made on account of expenditures for improvements will be avoided, the amount of earnings applicable to dividends will be substantially increased and greater stability of investment will be assured, without necessarily increasing the prices of manufactured products.

The certificates for stocks of the Companies above named must be deposited as stated below, in exchange for TRANSFERABLE RECEIPTS issued by the respective depositaries, for which application will be made for listing on the New York Stock Exchange. The deposited certificates must be accompanied by suitable assignments and powers of attorney in blank,

duly executed and having attached thereto the proper War Revenue stamps, and also, if required, suitable assignments or transfers of all dividends or rights to dividends upon deposited common stocks declared or payable on or after MARCH 1, 1901. Every deposit shall be upon the following further terms and conditions:

1. The undersigned, acting in behalf of the Syndicate, shall have full control over the deposited certificates, including power to deliver the same under said contract to the United States Steel Corporation in consideration of the issue of Preferred Stock and Common Stock of said Corporation.

2. The certificates for shares of the United States Steel Corporation, deliverable to depositors, shall be delivered at an office or at offices in the City of New York to be designated by the undersigned by advertisement in at least two newspapers in the City of New York. Such certificates may be issued in the names of the respective holders of the receipts entitled thereto or may be issued in such other names as the undersigned may select, in which event they shall be endorsed for transfer in blank at the time of delivery. The undersigned at their option may deliver temporary certificates for such shares pending the preparation and delivery of engraved certificates.

3. At any time prior to the deposit hereunder of two-thirds in amount of all outstanding shares of the capital stock of any one or more of the above-named Companies (which two-thirds in each instance shall include two-thirds of the outstanding preferred stock of such Company), the undersigned in their discretion may withdraw the offer herein made to depositors of shares of any such Company of whose capital stock two-thirds shall not have been deposited; and, in such case, no act or notice of withdrawal shall be required other than advertisement thereof at least once in each of two daily newspapers in the City of New York. Upon any such withdrawal, the deposited shares of such Company shall be returned without charge, upon surrender of the respective receipts issued therefor. The Undersigned, in their discre-

tion, may consummate the proposed transaction as to the stocks of any Companies herein named, irrespective of the deposit of the stocks of any other Company or of any withdrawal as to any other Company.

4. The undersigned are authorized to proceed with the proposed transaction whenever in their sole judgment a sufficient amount of the stocks of said companies, or of any of them, shall have been deposited. They reserve the right, at any time, in their discretion, to wholly abandon the transaction and to withdraw their offer herein contained, as to all the depositors, by publication of notice of such withdrawal in two daily newspapers in the City of New York; and in that event all the deposited shares shall be returned without charge upon surrender of the respective receipts therefor. In case of any such withdrawal of the offer hereunder as to all or to any depositors, such depositors shall have no claim against the undersigned, and shall only be entitled to receive their deposited securities upon surrender of the respective receipts therefor.

5. The authorized issue of capital stock of the United States Steel Corporation presently provided for in said contract is $850,000,000, of which one-half is to be Seven Per Cent. Cumulative Preferred Stock and one-half is to be Common Stock. The Company will also issue its Five Per Cent. Gold Bonds to an aggregate amount not exceeding $304,000,000. In case less than all of the bonds and stock of the Carnegie Company or less than all of the stocks of the other Companies above referred to shall be acquired, the amounts of bonds and stocks to be issued will be reduced as provided in said contract.

The forms of the new Bonds and of the Indenture securing the same, and of the certificates for the new Preferred and Common Shares, and the entire Plan of Organization and Management of the United States Steel Corporation, shall be determined by J. P. Morgan & Co. Every depositor shall accept in full payment and exchange for his deposited stock the shares of the capital stock of the United States Steel Corporation, to be delivered at the rates above specified, in respect

of the stock by him so deposited; and no depositor or holder of any receipt issued hereunder shall have any interest in the disposition of any other of the shares of stock, or of the Bonds of the United States Steel Corporation, by it to be issued and delivered to or for account of the Syndicate or of any proceeds thereof. All shares of the United States Steel Corporation deliverable to or for account of the Syndicate, which shall not be required for the acquisition of the stock of the Carnegie Company or for delivery to depositors under the terms of this circular, are to be retained by and to belong to the Syndicate.

6. The respective depositaries may make all such rules as shall be approved by the undersigned, governing the transfer and registration of receipts for deposited shares, and for the closing of the transfer books for such receipts for any purpose. The undersigned shall not be responsible for any default of any depositary.

7. Each deposit hereunder shall be irrevocable, and shall operate as a separate and independent agreement, and as a transfer of the interest of the depositors to the undersigned on the terms hereof.

8. Deposits must be made with the following depositaries respectively:

Federal Steel Preferred Stock Federal Steel Common Stock	with	Colonial Trust Co., N. Y., or with Old Colony Trust Co., Boston.
National Tube Preferred Stock National Tube Common Stock	"	Morton Trust Co., N. Y., or with Kidder, Peabody & Co., Boston.
American Steel & Wire Preferred Stock	"	Standard Trust Co., N. Y.
American Steel & Wire Common Stock	"	Guaranty Trust Co., N. Y.
National Steel Preferred Stock National Steel Common Stock	"	Central Trust Co., N. Y.
American Tin Plate Preferred Stock American Tin Plate Common Stock	"	Mercantile Trust Co., N. Y.
American Sheet Steel Preferred Stock American Sheet Steel Common Stock	"	Farmers' Loan & Trust Co., N. Y.
American Steel Hoop Preferred Stock American Steel Hoop Common Stock	"	N. Y. Security & Trust Co., N. Y.

Deposits must be made on or before the 20TH DAY OF MARCH, 1901. After that date no deposit will be received ex-

cept in the discretion of the undersigned, and on such terms as the undersigned may prescribe.

The undersigned reserve the right in their discretion to TERMINATE THE PRIVILEGE OF DEPOSIT hereunder at an earlier date upon two days' notice to be given by publication at least once in two daily newspapers in New York City.

It is proper to state that J. P. Morgan & Co. are to receive no compensation for their services as Syndicate Managers beyond a share in any sum which ultimately may be realized by the Syndicate.

J. P. MORGAN & CO.,
Syndicate Managers.

Defendants' Exhibit (Gary) No. 55.

May 28, 1913.

Office of J. P. MORGAN & CO.,
23 Wall Street, New York.

March 21, 1901.

To the Stockholders of

FEDERAL STEEL COMPANY,
NATIONAL STEEL COMPANY,
NATIONAL TUBE COMPANY,
AMERICAN STEEL AND WIRE COMPANY OF NEW JERSEY,
AMERICAN TIN PLATE COMPANY,
AMERICAN STEEL HOOP COMPANY,
AMERICAN SHEET STEEL COMPANY.

Referring to our circular dated March 2, 1901, we announce that holders of the following percentages of the entire outstanding amounts of the Preferred and Common Stocks of the above-named companies have accepted the offer made by us in said circular, viz.:

	Percentage of Preferred Stock.	Percentage of Common Stock.
Federal Steel Company	97	96
National Steel Company	97	98
National Tube Company	98	93
American Steel and Wire Co. of New Jersey	97	92
American Tin Plate Company	94	99
American Steel Hoop Company	97	98
American Sheet Steel Company	97	94

The PLAN proposed in our circular has therefore become OPERATIVE.

In view of the fact that there are stockholders who desire to participate in the plan, but who have been unable to deposit the certificates for their stock within the time limited in our circular, we have extended the time for deposit of stocks under the terms and conditions of our said circular of March 2, 1901, UNTIL AND INCLUDING MONDAY, APRIL 1ST, 1901, after which date no deposits of stock will be received except in our discretion and on such terms as we may prescribe.

The COMMON STOCK of any Company offered for deposit AFTER THE DATE OF CLOSING THE TRANSFER BOOKS of such Company for the payment of dividends upon the Common Stock, must be accompanied by an ORDER FOR SUCH DIVIDEND.

Deposits must be made with the following depositaries respectively:

Federal Steel Preferred Stock Federal Steel Common Stock	with	Colonial Trust Co., N. Y., or with Old Colony Trust Co., Boston.
National Tube Preferred Stock National Tube Common Stock	"	Morton Trust Co., N. Y., or with Kidder, Peabody & Co., Boston.
American Steel & Wire Preferred Stock	"	Standard Trust Co., N. Y.
American Steel & Wire Common Stock	"	Guaranty Trust Co., N. Y.
National Steel Preferred Stock National Steel Common Stock	"	Central Trust Co., N. Y.
American Tin Plate Preferred Stock American Tin Plate Common Stock	"	Mercantile Trust Co., N. Y.
American Sheet Steel Preferred Stock American Sheet Steel Common Stock	"	Farmers' Loan & Trust Co., N. Y.
American Steel Hoop Preferred Stock American Steel Hoop Common Stock	"	N. Y. Security & Trust Co., N. Y.

J. P. MORGAN & CO.,
Syndicate Managers.

Defendants' Exhibit (Gary) No. 56.

May 28, 1913.

Office of J. P. MORGAN & CO.,
23 Wall Street, New York.

April 2, 1901.

To the Stockholders of
AMERICAN BRIDGE COMPANY,
LAKE SUPERIOR CONSOLIDATED IRON MINES.

The offer made in our circular of March 2, 1901, in behalf of the Syndicate, having been accepted by more than 98 per cent. of the holders of stock in the several companies therein mentioned, the plan proposed in said circular has become operative. We now offer, by authority and for account of the United States Steel Corporation, in exchange for the Preferred and Common Stock of the American Bridge Company and for the stock of the Lake Superior Consolidated Iron Mines, respectively, certificates for Preferred Stock and Common Stock of the United States Steel Corporation, upon the following basis:

For each $100, par value, of Preferred Stock of the AMERICAN BRIDGE COMPANY, $110, par value, in the Preferred Stock of United States Steel Corporation.

For each $100, par value, of Common Stock of the AMERICAN BRIDGE COMPANY, $105 in the Common Stock of United States Steel Corporation.

For each $100, par value, of stock of the Lake Superior Consolidated Iron Mines, $135, par value, in the Preferred Stock and $135, par value, in the Common Stock of the United States Steel Corporation.

Such Preferred Stock of the American Bridge Company will be received ex dividend payable April 24, 1901, but must carry all other dividends and rights to dividends declared or payable after that date. Such Common Stock of the American Bridge Company and such stock of the Lake Superior Consolidated Iron Mines must carry all dividends and rights to dividends declared or payable after March 15, 1901.

Dividends on the Preferred Stock of United States Steel Corporation to be delivered to depositors are to begin to accrue from April 1, 1901.

Arrangements have already been made for the acquisition upon the above basis of more than eighty-five per cent. of the stock of the Lake Superior Consolidated Iron Mines, embracing therein the interests of Mr. John D. Rockefeller. Arrangements have also been made for the acquisition by the United States Steel Corporation of all the outstanding interest in the Oliver Iron Mining Company and the Pittsburgh Steamship Company, not owned by the Carnegie Company. The offer herein made for stock of the American Bridge Company is conditional upon the deposit and sale hereunder of at least two-thirds in amount of all outstanding shares of the capital stock of said Company, which two-thirds shall include two-thirds of the outstanding preferred stock.

Certificates for stocks of the American Bridge Company and of the Lake Superior Consolidated Iron Mines must be deposited with us as stated below in exchange for our transferable receipts. The deposited certificates must be accompanied by suitable assignments and powers of attorney in blank, duly executed, and having attached thereto the proper war revenue stamps and also, if required, suitable assignments or transfers of all dividends and rights to dividends as above stated. Every deposit must be made upon the following further terms and conditions:

1. The undersigned shall have power to deliver the deposited certificates to United States Steel Corporation, but until so delivered the undersigned shall have full control over such certificates. The transfer and delivery to the Steel Company of the deposited shares of any Company may be completed whenever the undersigned deem that a sufficient amount of the stocks of such Company shall have been deposited.

2. The certificates for shares of the United States Steel Corporation, deliverable to depositors, shall be delivered at an office or at offices in the City of New York, to be designated by the undersigned by advertisement in at least two newspapers in the City of New York. Such certificates may be is-

sued in the names of the respective holders of the receipts entitled thereto, or may be issued in such other names as the undersigned may select, in which event they shall be endorsed for transfer in blank at the time of delivery. Every depositor agrees to accept in full payment and exchange for his deposited stock, certificates for shares in the Capital Stock of the United States Steel Corporation, to be delivered at the rates above specified in respect of the stock by him so deposited. The undersigned, at their option, may deliver temporary certificates for such shares pending the preparation and delivery of engraved certificates. The authorized Capital Stock of the United States Steel Corporation has been increased to $550,000,000 of preferred stock and $550,000,000 of common stock. The corporation has appropriated and has agreed to issue $425,000,000 of such preferred stock and $425,000,000 of such common stock under the contract referred to in said circular of March 2, 1901; and it proposes to issue the remainder of such authorized Capital Stock for future requirements and acquisitions, including the acquisition of the stocks deposited under this circular.

3. The undersigned may make all such rules as they shall deem expedient governing the transfer and registration of receipts for deposited shares and for the closing of the transfer books for such receipts for any purpose.

4. The United States Steel Corporation may revoke the offer hereby made as to all or any depositors of stock of the American Bridge Company, or of the Lake Superior Consolidated Iron Mines at any time before the stocks of United States Steel Corporation actually shall have been issued and delivered in exchange therefor; and in such case no act or notice of revocation shall be required other than an advertisement thereof at least once in each of two daily newspapers in the City of New York. In the event of any such revocation the deposited stocks, then remaining unexchanged, shall be returned without charge upon surrender of the respective receipts issued therefor, and the depositors and receipt holders respectively shall have no claim against the United States Steel Corporation or against the undersigned.

Deposits of LAKE SUPERIOR CONSOLIDATED IRON MINES stock must be made at our office, No. 23 WALL STREET, NEW YORK. Deposits of PREFERRED AND COMMON STOCK OF AMERICAN BRIDGE COMPANY may be made either at our office, No. 23 WALL STREET, NEW YORK, or at the office of MESSRS. KIDDER, PEABODY & Co., BOSTON, MASS. All deposits must be made on or before the 15TH DAY OF APRIL, 1901. After that date no deposit will be received, except in our discretion and on such terms as we may prescribe.

The right is reserved to the undersigned to terminate the privilege of deposit hereunder at an earlier date upon two days' notice to be given by publication at least once in two daily newspapers in New York City.

J. P. MORGAN & CO.,
Syndicate Managers.

Defendants' Exhibit (Gary) No. 57.

June 2, 1913.

The question is proposed whether an agreement with each other by several companies, the product of each of whom is manufactured in one state to be sold and delivered in another or in a foreign country, by which they stipulate that their product shall not be sold for less than an agreed scale of prices, and that each shall pay into the common stock, to be divided in an agreed proportion, all profits by it received beyond what comes from a specified amount of sales, is illegal, and exposes those who take part in it to the proceedings and penalties provided in the Act of Congress, approved July 2, 1890, entitled "An Act to protect Trade and Commerce against unlawful restraints and monopolies." Section First of said Act is as follows:—

"Every contract, combination, in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations, is hereby declared to be illegal. Every person who shall make such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor," etc.

It is clear that the second section of this statute has no bearing upon the question. One of the principal objects of the law is to prevent monopolies, which section second prohibits. But there is nothing in the above described agreement which tends to create a monopoly. On the contrary, if enforced, it gives an advantage to corporations who do not enter into it and who can sell their products at a lower rate. The only inquiry then is whether this contract is in restraint of trade within the meaning of section First.

The object of the statute under consideration is to extend the common law to interstate and international commerce. The United States has no common law. Our national law consists of the Constitution and the statutes and treaties made in pursuance thereof. The several states, except those where the civil law prevailed at the time of their admission to the Union, adopted the English common law, either by the express provisions of their constitutions or statutes, or by usage, so far as it is adapted to their circumstances and conditions. Among the common law principles so adopted is that which renders certain contracts in restraint of trade unlawful. In some cases this rule is enforced by the penalties of the criminal law. In others, contracts which do not subject those making them to any punishment are held illegal, as contrary to public policy, and the courts decline to enforce them.

Although the United States has no common law, yet where a phrase is used in national legislation to which the common law or the practice in the states has attached a special and definite meaning, the national legislature is presumed by the courts to use the phrase according to its common law meaning or the meaning given to it by general usage in the states.

The Constitution gives to Congress the power of regulating commerce with foreign countries and among the states.

The sale of goods in one state to be delivered in another or in a foreign country is such commerce within the meaning of the Constitution.

The purpose of the statute above referred to was to adopt the common law principle as to contracts in restraint of trade as applicable to commerce with foreign nations or among the

states, and to enforce that principle by suitable remedies and penalties.

We must look to the common law or to the usage of the states for the meaning of the words "restraint of trade," as used in the statute. It is not every contract which limits the freedom of the individual to engage in trade that the statute is intended to prohibit. Every person entering into a general copartnership is prohibited from trading on his own account in transactions within the scope of the copartnership business, and in that way his capacity to trade is restrained. But of course it could not be supposed for a moment that it was the purpose of Congress to prohibit the ordinary contract of partnership for the purposes of interstate or international commerce. So the sale of the good will of a business carries with it a restraint on the part of the grantor from engaging thereafter in the business in such a way as to affect the value of the good will he has sold. Yet no man would suppose that it was the purpose of Congress to prohibit a transaction so common and everywhere lawful by which a business gained by a lifetime of industry and skill may be made valuable to its possessor when he desires to retire from it. It is needless to multiply examples. We must, therefore, take it to be unquestionable that it was the purpose of Congress in prohibiting contracts in restraint of trade, to prohibit only such contracts in restraint of trade as were deemed unreasonable and contrary to public policy by the common law.

We understand that the common law prohibited contracts whose purpose was improperly and unreasonably to restrain trade in a manner which should affect the public interest by getting one party to a contract into the power of the other. But it did not prohibit such arrangements as were made upon good consideration and were necessary to the reasonable protection of healthy and legitimate business. There is some variety of opinion in the courts of different states as to the application of these simple principles. But it will be seen that in all the cases the courts have endeavored and undertaken to apply them to the best of their ability.

There are some cases in which the courts have treated contracts as illegal because they tended to defeat the object

of special statutes. After the repeal of such statutes the decisions under them are no longer applicable, and are not to be considered as furnishing a rule in determining what contracts are to be considered as contracts in restraint of trade. For instance, there was an old English statute limiting wages in certain employments. Agreements entered into for the purpose of raising wages to a point above that fixed by these statutes were held illegal by the English courts. Those statutes have been repealed. Since their repeal it is presumed such contracts would be held innocent, as they have been held innocent in the United States where no such statutes existed, and this whether with or without an express legislative sanction to that class of contracts. It has been held in accordance with the principles above laid down that a contract not to engage in a certain kind of trade or business in a particular locality is lawful. Such a contract is reasonable, as it enables the person entering into it to dispose of the good will of a business. But a contract not to engage in a particular trade or calling anywhere in the country or realm is unreasonable and in restraint of trade. Such a contract deprives the country of the skill of one of its citizens, while it is unnecessary for the protection of any other person in his trade or calling. Since the great change in the method of transacting business by the increased facilities of communication of modern times, I suppose an agreement by one person not to manufacture in competition with another would be held valid, although the competitors' places of manufacture might be quite remote from each other. It was held in an early Massachusetts case that a contract by one person not to engage in the business to the northwest coast of North America was legal, and it was enforced by the court. At that time that trade was of very small extent and one person could not well engage in it without competing with others so engaged. In the case above referred to, Perkins *vs.* Lyman, 9 Mass. 421, the courts say, "This stipulation is for the benefit of the public. For it prevents the trade from being overdone and so profitable to none."

Judge Swedgwick in Pierce *vs.* Fuller, 8 Mass. 222, states very well the doctrine of the common law in regard to re-

straint of trade. He says all contracts "barely in restraint of trade, where no consideration is shown, are bad. But cases of a limited restraint of trade, where it appears from the special circumstances that the contract is reasonable and useful, shall be good. And the consideration must always be shown, that the contract may be supported by the special circumstances which induced the making of it. But these circumstances the court must judge; and if upon them, it appears to be a just and honest contract, it will be maintained." Mr. Rand, in his note to the above case, says, "In order that a contract in restraint of trade may be valid, it must be partial, reasonable, and for an adequate consideration."

In Snow *vs.* Wheeler, 113 Mass., 197, Colt, *J.*, says, "In the relations existing between labor and capital, the attempt by co-operation on one side to increase wages by diminishing competition, or on the other to increase the profits due to capital, is within certain limits lawful and proper. It ceases to be so when unlawful coercion is employed to control the freedom of the individual in disposing of his labor or capital, and so it was held that an agreement not to teach new hands and thereby increase the number of persons to compete with the laborer was not unlawful."

In Carew *vs.* Rutherford, 106 Mass., 1, 14, it is said, "It is no harm for men to associate themselves together and agree that they will not work under a certain price." I can have no doubt that in Massachusetts an agreement of workmen not to work under a certain price, or not to work more than a certain number of hours per day, and an agreement among employers not to sell their goods under a certain price, or not to produce more than a certain quantity during any fixed season, supposing in both cases the agreement to have for its object the prevention of injury to the parties making it, by the lowering of the price of what they have to dispose of and so the destruction of their business on the one hand, or the loss of employment on the other, there being no attempt at a coercion of other people by criminal or unlawful means, would be held legal and valid. The cases depend upon the same principle. Such contracts are, I think, held reasonable

by the community, and will be sustained by the courts. They are not artifices or conspiracies entered into for the purpose of putting the community at the mercy of speculators or monopolists, but are only a reasonable method of self-defense against methods of competition which, if unchecked, are likely to end in the destruction of weak and feeble concerns or individuals and the establishment of monopolies by the rich and powerful.

In Mallan *vs.* May, 11 M. & W., 653, and Hitchcock *vs.* Coker, 6 Ad. & El., 438, it is affirmed that a covenant in restraint of trade is reasonable when it does not extend farther than is reasonably necessary for the protection of the business of the obligee, and is unreasonable if it do extend further than is necessary for such protection.

In Hilton *vs.* Eckersley, 6 El. & Bl., 47, an agreement by eighteen mill-owners to be governed as to wages, discipline and general management of their works by a majority of the parties to it, including the obligation to suspend or close the works altogether when the majority should so order, was held to be in restraint of trade, and could not be enforced. That decision, however, was by a majority of the court only, Justice Erle dissenting. The facts of that case are exceedingly different from those supposed here. In that case the obligors put their own freedom of the conduct of their busines absolutely into the control of each other. I suppose it would not be contended anywhere that an obligation to give up business altogether, not merely for a limited time or for a limited extent of territory, is not a contract in restraint of trade. And the contract in Hilton *vs.* Eckersley included that obligation, if a majority of the parties should so require. Even on that case, Justice Erle was of opinion that the agreement and its tendency was for the advancement of trade. For the workmen by combining not to work for one master while they are supported by wages from the others might ruin each separately, and unless the masters could protect themselves more effectually than by an indictment, their trade might be destroyed.

There are two New York cases in which it was held that an agreement by all the owners of boats upon the Erie Canal

to charge a certain price for freights, and to keep a limited number of boats, and that if any boat-owner had an application for more freight than he could accommodate with his existing number of boats, he was to get the freight carried on the best terms possible, and pay over the profit to the association, was illegal and in restraint of trade. The reason chiefly insisted upon by the court was that these public carriers were using a canal provided by the State for the public accommodation at large cost, the canal route itself having many competitors, so that this arrangement was an injury to the state and contrary to the policy which had provided the canal for the public. Some phrases of the opinions imply that the court thought the contract void as in the general restraint of trade. In King *vs.* Journeymen Tailors of Cambridge, 8 Mod., 10, an indictment was held good for conspiracy by defendants to raise their wages. This was under a statute which fixed wages and made it criminal to conspire to raise them. Chief Justice Shaw in Commonwealth *vs.* Hunt, 4 Met., 122, comments on this case and says that "All the laws of the parent country which were made for the purpose of regulating the rate of wages, not being adapted to the circumstances of our colonial condition, were not adopted, used or approved here." In Young *vs.* Timmins, 1 Cr. & J., 331, it is said "A contract in partial restraint of trade is good when upon an adequate consideration." Best, C. J., in Homer *vs.* Ashford, 3 Bing., 324, says of reasonable contracts in restraint of trade, supported by adequate consideration, "The effect of such contracts is to encourage rather than cramp the employment of capital in trade and the promotion of industry." Park, Ch. J., in Mitchell *vs.* Reynolds, 1 P. Wm., 191, says "There may happen instances where these contracts may be useful and beneficial, as to prevent a town from being overstocked with any particular trade." Story on Equity, Sec. 293, says "It may even be beneficial to the country that a particular place should not be overstocked with artisans or other persons engaged in a particular trade or business; or a particular trade may be promoted by being for a short period limited to a few persons, especially if it be a foreign trade recently discovered and it can be beneficial but to a small number of adven-

turers." There are some ancient forms of indictment at common law for conspiracy by workmen to raise their wages, but there can be no doubt that neither in any state in this country nor in England, would such indictments be now sustained. Parson on Contracts, vol. 2, p. 888, says, "The rule of the law upon this subject is somewhat peculiar. So long ago as in the times of the Year Books the courts frowned with great severity upon every contract of this kind. But after a while the excessive aversion became much mitigated. Many exceptions and qualifications were allowed. If the series of cases upon this subject are critically examined and considered in connection with the temporary alterations in the law or usage in other respects, we cannot but think that reason may be found for believing that the law in relation to these contracts grew out of the English law of apprenticeship to which we have already referred. By this law, in its original severity, no person could exercise any regular trade or handicraft except after a long apprenticeship, and generally a formal admission to the proper guild or company. If he had a trade he must continue in that trade or have none. To relinquish, therefore, was to throw himself out of employment; to fall as a burden upon the community; to become a pauper. But this ancient severity of the law of apprenticeship abated; and as this severity gradually relaxed it will be seen that contracts "in restraint of trade" were treated with less and less disfavor, until the present rule became established. In the application of this rule, we shall see a gradual enlargement, until in this country at least, it seemed to be little more than nominal."

Upon the whole, it seems to me very clear that the agreement by each of the persons in the contract above supposed furnishes an adequate consideration for the agreement of all the others. Further, it seems to me that a contract, although in partial restraint of trade, which is reasonable and reasonably limited in point of time, which has for its object merely the saving the parties from a destructive competition with each other, is not prohibited by the statute above referred to. The question whether this contract is reasonable will be for the court. I think the contract above proposed is

reasonable, and would be so held by the courts of the United States. No manufacture can be established in this country without the prospect of reasonable permanence. To engage in the manufacture contemplated by these parties requires an expensive plant, large outlay for machinery, material and supplies, and the gathering together of a sufficient number of artisans skilled in this particular manufacture. It is for the interest of the public that such enterprises shall be undertaken. They will not be undertaken without a prospect of reasonable permanence in prices, and they will not be undertaken by new and small establishments in competition with old and powerful ones, if they are to be exposed to what is commonly called the cut-throat or "cutting under" process. The opinion of courts, like the opinion of the rest of the community, may vary in different generations as to what is reasonable. But the question of reasonableness will be a question of law for the courts, to be determined upon all the facts and in the light of the experience, the business habits, and the public opinion of the present time.

This being my opinion, I think the parties to the agreement above supposed would not be likely to be convicted of an offense under the statute of last year.

I am further asked whether it is likely that a prosecution will be instituted against them. This is not a question of law. The gentlemen who are concerned in this business can judge as well as I can of the probability in this regard. It is probable that at some time proceedings will be instituted which will test this question as other similar questions that may arise under the statute. Whether this business would be likely to be selected as the object of proceedings for such a test would depend upon the feeling of their customers, or possibly their business rivals. Though it would seem that the interest of business rivals would be in favor of supporting and not of overthrowing this arrangement.

I cannot see any distinction in principle between a contract of workingmen not to work for less than a stipulated sum as wages, and a contract of employers not to sell their product for less than a stipulated sum. Both these being intended for their legitimate protection, and not accompanied

with any stipulation for unlawful, oppressive or fraudulent methods, seem to me to be lawful within the policy of the law as it now exists, and not to be in restraint of trade, but in advancement thereof.

My attention has been called also to the statute of the State of Missouri, approved April 2, 1891, entitled "An Act providing for the punishment of pools, trusts and conspiracies to control prices, and as to evidence and prosecution in such cases." This act can have no effect upon interstate commerce as above defined, namely, the manufacture of goods in one state to be sold and delivered in another. The jurisdiction of Congress over that subject is exclusive after Congress has acted, and no state law affecting it can have any constitutional validity. The law of Misouri is operative upon property within the state sold to be delivered there. The regulation of such sales is not within the constitutional jurisdiction of Congress. I am informed that there is a law like that of Missouri in Illinois, which I have not seen.

Aug. 22d, 1891.

GEO. F. HOAR.

Defendants' Exhibit (Gary) No. 58.

June 3, 1913.

Remarks made at Dinner given by the Governors of the Iron and Steel Institute of Great Britain to Mr. E. H. Gary, in London, England, September 11th, 1908:

Mr. President, Lords and Gentlemen:

"Words are inadequate to express my gratitude for the privilege of being here this evening to meet so many of the distinguished ironmasters of this country. Your generous hospitality is as abundant as it is undeserved. England has produced a long line of great and successful men who have been connected with the industry which most of those now present especially represent. Time will not permit a reference to individual names; but all Americans entertain for them the warmest feelings of respect and affectionate regard.

"American manufacturers of iron and steel, while suc-

cessful because of unusual opportunities and facilities, are more crude in the finishing lines particularly; but we have from time to time secured, and are still securing, the benefit to be derived from the counsel and services of some of your talented men. It may be costly, but the returns are adequate.

"With respect to all the questions of the day, Americans are desirous of being closely associated with other nations. A large majority of us, at least, believe in reciprocal relations and close connections, such as will result in benefit to all concerned. All other nations of the earth look to and upon England with feelings of respect and wonder. Her influence is great and she has a corresponding responsibility. The stability of her government and the respect of her people generally for, and their obedience to, the laws of the land excite the admiration of all mankind. She is most fortunate in having a king who is the personification of wisdom and generous consideration for the welfare of all his subjects. Their success in all honest endeavor is the foremost thought in his heart. To have such a ruler continuously at the head of a nation is an incalculable blessing.

"Other nations are to-day equally fortunate. May I digress for a moment to speak of our President Roosevelt, who has sometimes been misunderstood, if not misrepresented? He is not an enemy of capital or business prosperity. He believes right conduct is the first essential of national health; but he also believes material success and growth are necessary. He does not attack individuals, as such, be they rich or poor; but he opposes what he conceives to be wrong, whoever perpetrates it.

"The nations of the earth are being brought nearer together. Steam, electricity and other forces are enabling us to travel and to communicate with each other more speedily and with less difficulty by land and sea and sky. And soon, it is to be hoped, we shall have a common language. The day is approaching when among the nations there will be less diplomacy and more fraternity. God speed the day! We should be striving with and for one another, each nation endeavoring to help itself by helping all others. Weapons of war should be converted into implements of agriculture and

every question of difference determined by intelligent and honest discussion and equitable conclusion. As applied to the present, these ideas may not be wholly practicable. The people are not ready to avail themselves of their opportunities. Feelings of distrust and doubt and envy more or less predominate. In the future, however distant, there is hope and confidence; but, as applied to some of the prominent lines of business, including iron and steel, the doctrine of conciliation and co-operation is practicable, even now. If so—and we are ready to take advantage of the fact—who can estimate the benefit to be derived?

"It has been demonstrated in America during the last year that the idea is practicable. In the month of October of 1907 we were visited by a financial cyclone. It was the culmination of many unfavorable and uncontrollable currents not necessary to detail at present. At the beginning no one could accurately forecast the future. The possibilities of a prolonged and disastrous business depression were in the minds of all. The danger related to the iron and steel trade perhaps more than to any other; and that has been considered the barometer of trade conditions. Most of the jobbers throughout the country had purchased large stocks at the prices prevailing when conditions were favorable, and these were undisposed of. Pending contracts for construction, which involved large purchases of iron and steel, extended to every locality. Contracts for new furnaces, mills and equipment and for raw and semi-finished material had been made by large numbers of manufacturers. An immediate and radical reduction in prices would have meant bankruptcy to multitudes of firms which had been successful and were considered substantial; and this would perhaps have precipitated trouble in many, if not all, other lines. These conditions were realized by bankers and financiers generally, and certainly by the manufacturers of iron and steel. They recognized their responsibility and rose to the occasion.

"Early in November an invitation was extended to the leading men connected with this industry, including about sixty in number, to meet in conference, and without exception the invitation met with an affirmative and cordial response.

"Conditions were favorable to the cause. The United States Steel Corporation, one of the largest concerns, has a finance committee composed of nine gentlemen of great experience and intelligence, and connected in various ways with nearly all other prominent lines of industry, who determine the policy of the corporation. Then the officers of the corporation and all its subsidiary companies are efficient and energetic and always loyal to the policies determined by the committee.

"They can be relied upon to promptly carry to a successful conclusion any campaign determined upon. Besides, and better still, the manufacture of iron and steel in the United States, as a whole, is in the hands of men who cannot be surpassed in excellency. They are intelligent, honest, broad-minded and sincere. At the first meeting, after each one present had expressed his opinion that the conditions and dangers were as I have previously stated, the doctrine of conciliation and co-operation was suggested. In some respects, at least, it was novel. In times gone by, when business prosperity was interrupted by a financial depression or by doubt and distrust, however provoked, it had been customary for each one to consider and to endeavor to protect his own interests regardless of all others. Each sold his own products wherever and at whatever prices he could obtain. Demoralization, panic and prolonged failure followed. It was customary to urge that the action was inevitable; that the law of supply and demand must control; that natural conditions cannot be changed. Parenthetically I may say I have my own definitions of these well worn expressions, but will not stop to name them. And so last November at first there were some who were more or less skeptical. They had doubts as to the success of the movement. But a large majority had confidence and all were willing to make a trial.

"The suggestions which were made, and finally adopted, were simple: It was proposed to appoint a general committee of seven, with power to appoint sub-committees connected with special lines. To the sub-committees anyone interested in a particular line might apply for information and advice. And to the general committee the respective chairmen of sub-com-

mittees or any individual might apply for information and advice. Without going into detail it suffices to say these committees kept fully informed in regard to the affairs of all, and freely advised individuals with respect to conditions generally or in detail. While they were given no power, their advice was usually followed.

"No agreement to maintain prices, restrict output or divide territory, or any other agreement was made. Without going further into detail it is sufficient to say the effort has been successful. It was to be expected there would be some mistakes by subordinates, and that to some extent there would be transactions beyond the bounds of propriety and fairness, but the total result has been a great benefit.

"A certain percentage, however small, of the people of every country is made up of ordinary liars. The wonder is that such a large percentage believe the liars. And of course from time to time manufacturers were imposed upon by proposed purchasers, who made the usual misrepresentations that other manufacturers were selling at a reduced price. This caused more or less anxiety, and the services of committees were required to straighten out the trouble. The tricks of the trade are too well known to make it necessary to discuss them at the present time.

"It was not long before the movement secured the approval and hearty co-operation of all concerned. Prices have generally been maintained, demoralization and insolvency prevented and greater profits realized. The benefit to general business conditions and the influence in aiding the restoration of business prosperity are testified to by financiers and by the press generally. Perhaps the most prominent good which has resulted is found in the feeling of friendship which exists among the members of the industry. This will be of great pleasure and profit to all in the long future. Frequent meetings are held at which each one present expresses with great freedom and frankness his views concerning all questions that are involved, and all have confidence in one another. The business is well in hand. The manufacturers are running their own business for their own gain, and yet at the same time they have injured no others. On the contrary, they have

advanced the interests of their customers, their employees and the public generally.

"I wish to emphasize the idea this evening that practical co-operation should be extended in our line of business particularly. The manufacturers of iron and steel in all countries should be working together—with and for one another. If we have the intelligence and disposition to take advantage of our opportunities we can be of great benefit to ourselves and to all others. While success cannot be reached without effort, perseverance and patience, and, above all, confidence in one another, it may be reached if we are determined.

"Human nature is about the same the world over. We are selfish, conceited and suspicious. We are inclined to look through a glass that magnifies our own importance and rights and minimizes those of all others. We wrap around ourselves the coat of self-righteousness, but the good Lord looks down upon us and sees very little difference. When removed from temptation we are saints, but when it comes to business transactions with one another we are apt to be common sinners. We need to occupy a high plane, where our vision is clear and unobstructed, where we can see the rights and interests of all others. We need to recognize the fact that by helping others we help ourselves, and that by injuring others we injure ourselves.

"I do not advocate anything that is antagonistic to the laws or the public welfare. What I propose is the utilization of our opportunities for the advancement of all our interests —a closer connection, a better understanding, a complete confidence, a full and free interchange of ideas and information, conveyed by one to another, concerning all the business in question, and an organized committee composed of men whose advice should always be followed. These thoughts, amplified and formulated, should bring to all of us the largest measure of success."

Defendants' Exhibit (Gary) No. 59.

June 3, 1913.

REMARKS OF

MR. E. H. GARY

At a

DINNER TO THE STEEL MANUFACTURERS

December 10th, 1908.

MR. E. H. GARY

at a Dinner to the Steel Manufacturers

December 10th, 1908

made the following remarks:

"Time, never ending and never stopping, marks a full year since we first met to consider a proper method of contributing our thought and influence to aid in the effort to prevent disaster to the business interests of this country.

"The conditions which existed and the dangers which confronted us one year ago are too well known to make it necessary to attempt to describe them. Nor would it be useful at this time to refer in detail to the causes which precipitated the panic. It was the culmination of disturbances which had been accumulating for a considerable period. It seems now to be the common belief that the action and disposition of the manufacturers of iron and steel during the last year have been of material benefit to the manufacturers themselves, to their customers, to their employes and to the general public. Possibly the influence of your action has extended in some measure to other countries. As you know, the Iron and Steel Institute of Great Britain honored me with a dinner and reception during the early part of last September. It would be false modesty in me if I failed to recognize and acknowledge this as a great personal compliment which anyone might be proud to receive, and yet it is accurate to say it was intended by our foreign brethren to evidence their feelings of respect and admiration for the great movement of conciliation and co-

operation which you have successfully upheld during the last twelve or thirteen months.

"At the London dinner there was a representative gathering, which included a large number of the most important iron-masters of Great Britain and the Continent. During the evening expressions were freely given favorable to our movement and of its beneficial effects upon the iron and steel industry abroad and upon business conditions generally. We are under obligations to foreign manufacturers for their feelings of friendship and confidence and should in every proper way give proof of our desire to reciprocate.

"What is this movement, and up to date what have been its results? The movement has been simply an effort on the part of those interested in the iron and steel industry to establish a basis of friendly association and intercourse which is calculated to enable each to obtain full knowledge concerning the affairs of all the others and the beneficial results which naturally follow such knowledge. In other words, to expose, for the benefit of all, the individual action of each so that every one having a disposition to act reasonably and fairly toward his neighbors may determine his course with full information of all the facts.

"That some, and perhaps many, of the leading thinkers and writers have misunderstood our action is probable. Some at least have questioned the propriety, if not the legality, of our efforts; and apparently others have believed these efforts would be of no substantial benefit. I think I represent the views of all present in saying we have never doubted the propriety or legality of our action because we knew our motives were good. We have never intended to antagonize the laws of the country, or the rights and interests of any one. We have occasionally read published criticisms of our movement on the ground that there was a combination or an agreement in restraint of trade; an agreement, express or implied, to maintain prices, to restrict output, or to divide territory. But the fault lies in the unjustified assumption of fact. As I understand, it is not improper for competitors to meet and without reserve furnish full information and express opinions concerning the business affairs of all, pro-

vided they are not acting under an agreement, express or implied. It is not wrong even though any or all may be influenced regarding any particular business, nor even though the result may be to prevent radical and unreasonable changes in prices. It is common practice the world over for men engaged in all the different lines to frequently meet their associates and competitors and to freely discuss conditions and interchange views respecting the proper and reasonable conduct of all concerned. It is not necessary to go into details. The suggestion covers farmers, mechanics, bankers, laborers, merchants, transportation companies, professional people and all others. It includes prices, rates, quantities, amounts, productions, sales, wages, fees, etc., etc. In connection with the movement under consideration we have had no agreement in restraint of trade, express or implied. We have never intended nor resorted to any evasion, and the public has been accurately informed concerning our action. Therefore, we may dismiss this subject with the statement that if we shall be convinced we are wrong in our conclusions, or that we have antagonized public interests, or if complaint is made by any one authorized to make it, we will discontinue our efforts to co-operate whatever injury may ensue.

"As to the results of our efforts to co-operate there is, I think, no reasonable doubt they have been of great benefit. The prices of the different manufacturers have not been uniform, and the prices of each have fluctuated more or less from time to time. Some manufacturers have not been as considerate of the interests of others as they ought to have been. Perhaps all of us have been influenced by motives of selfishness. But I do not hesitate to say our movement has prevented wide and sudden fluctuations, destructive competition, disaster and failure to manufacturers and their customers, reduction of wages and idleness on the part of employes, all of which, except for our efforts, would have been certain.

"We have been successful in securing stability as opposed to demoralization. This has tended to promote the best interests of ourselves and all others. Whether or not this movement for conciliation and co-operation, as opposed to the unreasonable and destructive competition of the past, shall con-

tinue to be successful I cannot say. As a very learned and eminent gentleman said to me within the last few days: 'It is well worth trying.' I have great faith in the future. The world is growing better. Soon it is to be hoped we shall, even in business matters, substitute the principle that 'right makes might' for the old sentiment that 'might makes right.' We ought to be working together and for one another. Each should consider the rights and interests of all others. Let us be a little more generous towards each other. We have established a business friendship which should be permanent and valuable."

Defendants' Exhibit No. 60.

Defendants' Exhibit No. 60 will be found in Volume III of Defendants' Exhibits, at page 352.

Defendants' Exhibit (Gary) No. 61,

June 3, 1913.

ADDRESS OF PRESIDENT E. H. GARY.

At this first formal meeting of the American Iron and Steel Institute, it is my privilege, and no less my pleasure, to felicitate the members on the success which has already been reached as the result of an earnest and untiring effort on the part of each to engender a feeling of affection amongst the members and to promote the welfare of the Institute regardless of any personal or selfish interest. The disposition you have shown, if maintained, will result in benefits that cannot at this time be measured. Especially are we to be congratulated that so many from foreign countries are with us. We realize that these visitors are men of important affairs, and have in their charge and control properties and business of great magnitude which they could not leave even for a short time without considerable sacrifice. We understand that they are here to evidence a desire to work with us, so far as practicable, in the endeavor to better the conditions of all.

In behalf of the Institute I bid these foreign gentlemen thrice welcome. We are delighted with their presence; and we are proud of their acquaintance. We offer to them our congratulations for their achievements in their own respective countries, personally and as representatives of large aggregations of wealth and business. With no spirit of envy do we read of their prosperity. For many years we have been learning from them, adopting their discoveries and their methods. It shall ever be our aim to co-operate with them in placing and keeping upon a better basis the lines of business in which we are engaged, and in cementing the friendship which exists and which we hope may be permanent, not only as between them and ourselves, but as between their countries and our country. Before their departure we hope to give them proofs of the sincerity of our professions of esteem.

The production of Iron Ore, Pig Iron, Steel and Coke in the United States and Canada, using in all cases round numbers, amounted to the following in the years stated:

IRON ORE.

In 1880	7,000,000	tons
In 1890	16,000,000	"
In 1900	27,500,000	"
In 1909	53,000,000	"

PIG IRON.

In 1880	4,000,000	tons
In 1890	9,000,000	"
In 1900	14,000,000	"
In 1909	26,500,000	"

STEEL.

In 1880	1,250,000	tons
In 1890	4,300,000	"
In 1900	10,000,000	"
In 1909	25,000,000	"

The increase in the production of steel did not correspond with the increase in the production of pig iron for the obvious reason that a good deal of scrap was melted, and, therefore, iron was used the second time.

COKE.

In 1880	3,500,000 tons
In 1890	11,500,000 "
In 1900	20,500,000 "
In 1909	41,000,000 "

If the ratio of increase during the next twenty years should be the same in each decade over production at the close of the preceding decade as that which took place in the 10 years from 1900 to 1909, there would be produced of

Iron Ore, in	1920	102,000,000 tons; and in
	1930	197,000,000 "
Pig Iron, in	1920	50,000,000 tons; and in
	1930	94,500,000 "
Steel, in	1920	62,500,000 tons; and in
	1930	156,000,000 "
Coke, in	1920	82,000,000 tons; and in
	1930	166,000,000 "

As the figures given commence from a low basis in 1880 it is probable the ratio of increases for the next twenty years is not justified. However, if the increase in tonnage during that period shall be the same in each decade over the production at the close of the preceding decade as that which took place in the 10 years from 1900 to 1909, inclusive, then on that basis the production of

Iron Ore, in	1920 would be	78,500,000 tons; and in
	1930	104,000,000 "
Pig Iron, in	1920	39,000,000 tons; and in
	1930	51,500,000 "
Steel, in	1920	40,000,000 tons; and in
	1930	55,000,000 "
Coke, in	1920	61,500,000 tons; and in
	1930	82,000,000 "

Reference has been made to the magnitude and growth of the iron and steel industry of America, as evidenced by these figures, for the purpose of emphasizing the importance and

the opportunities of the American Iron and Steel Institute, and the necessity for its existence.

There have been for some time other associations which were calculated to develop and improve the iron and steel industry by the accumulation and distribution of statistics, or by the study and discussion of numerous technical questions, and these associations have been very successful and satisfactory; but it has been felt they were not, in practice at least, of sufficient scope and breadth to fully cover all the necessities of those who are engaged in, or connected with, the iron and steel trade. Due credit has been, and will be, given to those organizations; and there is no disposition to antagonize, or interfere with, or detract from, any of them. On the contrary, we hope, directly or indirectly, to affiliate with them and assist in the good work in which they are engaged.

It seemed to the great army of individuals who have been particularly interested in successfully conducting this branch of industry that they had not prior to the formation of this Institute a common meeting place where it would be appropriate to consider any and all of the important questions which apply to their lines of activity. In some respects at least methods had theretofore been unsatisfactory. Each individual was to some extent managing his affairs without regard to the rights or interests of others. The results are well known, and have been so frequently referred to as to make it unnecessary to dwell upon them at this time. That it was essential to do something to change and improve these conditions we all insist.

And so this institution was created and upon a basis so broad that there is no limit to the good which may be accomplished. Its object is to afford means of communication between members of the iron and steel trades upon matters bearing upon their business affairs. Of course, this does not mean the undue advancement of the claims of any member to the prejudice of other members or of any one outside.

As stated by many of you during the period of formation of the Institute, it is intended that ethical questions shall be considered as important as economic or scientific questions.

The rights and duties of each member, so far as his conduct relating to this particular department of industry is concerned, and within the lines of propriety, should always be matters for the deliberation of the whole membership of the Institute. The level occupied by the Institute is high, and its management must always be above reproach; and in all the questions which may properly be considered by the Institute the pecuniary interests and the honor of each member are alike involved.

These general references are made because they are in accordance with the pronounced opinions of the charter members, and should be emphasized at the outset.

Primarily the Institute was organized, and should be conducted, for the benefit of its members. It should result in decided pecuniary advantage to all. The opportunities for presentation and discussion of economic or scientific questions are likely to give all a clearer understanding of all the facts and circumstances applicable to the management of the factories, and furnaces, and mills, and their connections, so that every one possessed of the necessary knowledge may deal with reference to the rights of all concerned.

Also, the consideration and discussion of ethical questions particularly affecting those outside of the membership but connected with, or interested in the conduct of their affairs, should be deemed just as essential and should result in material benefit to all.

There are many subjects of importance in which as members of the Institute we are concerned, and they should be discussed; but a few only can be referred to in this address.

One of the most important business matters at this time, and perhaps at all times, is the maintenance of stable conditions in the iron and steel industry; and to this is attached the question of prices. For periods, at least, in the past, unsatisfactory conditions have been the rule and not the exception. Violent, sudden and wide fluctuations in prices have occurred, and they have been detrimental to every one connected with the business, and to the public generally. The steel and iron industry, more or less recognized as the barometer of trade, has had an influence on general conditions for

good or bad, and much of the time for bad. We do not, and never have, advocated fixed, unchangeable prices. If they are unreasonably high they should be lowered, and *vice versa.* If for any good reason at any time we are convinced that the rights and interests of ourselves, our employees, or our customers, demand decreases in selling prices, or the readjustment of prices, we should be prompt to make them. This does not, however, militate against the general proposition in favor of stability as opposed to demoralization. We know, as a matter of fact, from most careful observation and an abundance of testimony from those directly affected that the maintenance of fair prices and the prevention of sudden and wide fluctuations is desired by our customers themselves. If you suggest that many members of this Institute are purchasers or consumers of the commodities produced by others and therefore may object to the position taken, the obvious answer is that they do not object. Many of them purchase with the view of converting or refining and selling the product. Many have stocks of materials on hand from time to time and cannot afford, and do not desire, to have the values of inventories reduced. Besides consumers like to feel that they can depend upon prices which they pay being as low as the prices which their neighbors subsequently pay. We are all purchasers and consumers of one thing or another. We sell certain manufactured products; but we buy a greater variety of products; and we like to feel that we are at all times treated as our neighbors are treated. If we go to the tailor, the butcher, the grocer, the farmer, the railroad company, the steamship line, the telegraph office, the newspaper office, or any others having for sale that which we need and buy, we are better satisfied if we are certain we are treated like our neighbors, and that there will be no sudden and material decreases immediately after we have bought and before we have had opportunity to consume the product which we have purchased. It is pleasing to note that in much of the business transacted in this country, commercial, financial and industrial, there is a tendency towards an even, steady and continuing basis of action. It would be better for us all, and better for the country, if conditions in all departments

of business were more stable and less likely to be disturbed by agitation, doubt or distrust.

It has sometimes been urged that an effort to maintain reasonable prices for iron and steel is contrary to the natural laws of trade; that it is opposed to the law of supply and demand. This we do not admit. We do not undertake nor advocate anything which is unreasonable, unnatural or unfair. Those who oppose the maintenance of fair prices when the volume of business is low on the ground that it is contrary to the law of supply and demand, make the mistake of supposing that capacity to produce creates supply. The law of supply and demand means the quantity which one possesses and is willing to dispose of and the quantity which another desires to possess and is willing to buy. Capacity to furnish does not create supply; nor does ability to purchase create demand. It is just as illogical to say that because one is able to furnish a given quantity, that is evidence of the supply, as it would be to say that because another can use, and has the money to pay for, a certain quantity, that constitutes a demand. The whole question should depend upon mutual consideration and decision. The seller should never take advantage of the necessities of the consumer to unreasonably advance prices; nor should advantage be taken of the necessities of the producer to secure his product at an unreasonably low price.

What then should the manufacturer do at times when the consumers or purchasers are not willing to pay the price demanded, however reasonable it may be? Many of us at least believe he should reduce the output to meet the demand, much or little, and wait until those in need are willing to pay what is fair and right. Remember this assertion is based on the assumption that prices at all times must be fair and subject to reductions or changes whenever it is decided they ought to be made. Such reductions, however, should be made only after due consideration, and in an orderly way and not as the result of panic.

On the other hand, if prices are at any time higher than they ought to be, the consumer, whatever his pecuniary abil-

ity to pay may be, should wait until the prices are reduced. If the attitude of both seller and purchaser should be as suggested it would not be long before they would get together on a proper basis, especially if what we advocate shall be carried into practice. What has been said is outside of, and without reference to, any question of special privilege, or undue advantage, or improper control of any commodity which would enable the producer from motives of cupidity or otherwise to fix or maintain unreasonable prices, or to take advantage of the necessities of the consumer. The great aggregations of wealth make this question important; but it may not be appropriate to discuss the same at this time.

Now, how shall we bring about the conditions which have been suggested as ideal?

The existence of this Institute, and the large attendance on this occasion, furnish the answer.

Real, hearty, cheerful and continued co-operation on the part of the members will secure results which should be entirely satisfactory. Frank and friendly intercourse; full disclosure of his business by each to the others; recognition by all of the rights of each; a disposition to assist and benefit each other so far as practicable and proper; conduct founded on the belief that healthy competition is wiser and better than destructive competition; all these are desirable and necessary and will be effective.

Some of you may say that in your opinions, based on the past, a fair and just equilibrium cannot be maintained except as the result of some agreement on the part of those who are interested. It is a sufficient answer to make that you have no right to enter into such an agreement, express or implied; that the laws of this country are opposed to it. But, as stated by the Attorney General of the United States in his argument before the Supreme Court in the Standard Oil case, the law does not compel competition; it only prohibits an agreement not to compete. If competitors are in frequent communication and make full disclosures to each other in regard to their business, notifying one another of what they are doing, it will follow as a natural result that no one will

take advantage of the information he thus receives to act unjustly or dishonorably towards his neighbor. You know by experience this is so; and it will become more certain as time goes by and each of us realizes more fully his obligations to others and to this Institute.

Co-operation is broadening in its application to specific subjects growing out of the activities of life. We see it in many lines of business outside of our own. We see it in this country, and in foreign countries. Especially have we observed it during the last few months in the consideration of some of the matters which have demanded the attention of the Interstate Commerce Commission and other official departments.

Co-operation can be, and should be, extended to our business relations with foreign manufacturers and producers. They will meet us half way. Indeed, the presence at this meeting of so many distinguished and representative men from Great Britain, Germany, Austria, France, and Belgium, respectively, is positive proof that they believe in this Institute, and are friendly to its members, and have high appreciation of the efforts we have been making in the direction of conciliation and co-operation. Whenever and however we may have opportunity to meet these gentlemen and to legitimately co-operate with them in promoting and conserving their interests as well as our own, we should do so without hesitation. We must at all times evidence a disposition to reciprocate the friendship which these gentlemen have shown, and to demonstrate to their satisfaction that we believe thoroughly in the doctrine that we are more or less bound together by business connection, and that we enjoy prosperity when they enjoy it, and that we fail of success when they fail. Many who are present will live to see the time when the spirit of co-operation shall extend even to the government of the nations of the earth.

Again, there is no better way of advancing our own interests than to conduct ourselves in such a way as to make it certain we are endeavoring to promote the welfare of others with whom we come in contact. Uppermost in our minds

should be the proper consideration of the rights of our employees. Members of this Institute represent corporations or firms who have in their employ hundreds of thousands of men. Many of these workmen are foreigners who are not familiar with our language or customs. Some of them have been poor and have had few advantages in their native countries, and may not be fully able to protect themselves. Whether this be true or not we should make it certain that all are so treated that they have the opportunity to be well housed, and well fed, and well clothed. So far as we can we should lend our assistance to the improvement of the conditions of our workmen; and, of course, the wages paid should always be fair and reasonable. All of us have discovered since this Institute was formed that there were many things which we could do for the betterment of the conditions of the workingman; and we have been prompt to do them. Particularly have we made great strides towards safeguarding our employees against accidental injury. A continuation of the efforts we have been making in this direction will result in securing a larger measure of confidence on their part, and will bring to us the consciousness that not only have we benefited ourselves pecuniarily, but what is more important, that we have done the right thing. Certain aspects of this subject will be presented in a special paper.

Also, we should extend the spirit of co-operation to our customers. We should be sure at all times that we are treating them right. If it is claimed on any occasion by a customer that our prices are too high with respect to any commodity we should promptly take up with him the question for the purpose, and with the intention, of arriving at a just conclusion. In all cases we advocate the doctrine of co-operation as opposed to independent action. We have found, particularly during the last two or three years, that we are succeeding better as we are brought into closer relations with our customers; giving them our confidence and informing them frankly of our conditions and intentions.

I predict for the Institute a great future. We are ambitious to have it prosper and shall not be disappointed. So

long as we pursue the path we have marked out we shall merit and receive the approval of all who are acquainted with our work. The influence of the Institute for good will be pronounced, and, as it is better established and thoroughly known, its opinions, as officially expressed on all matters which it may properly consider, will be respected.

For the honor you have conferred upon me personally in the election of your first president, and for the cordial support which you have extended without reserve, I thank you sincerely. For your confidence and friendship I am profoundly grateful.

Defendants' Exhibit (Gary) No. 62,

June 3, 1913.

A file of quarterly reports of the United States Steel Corporation from October 1, 1901, to March 31, 1913, was received in evidence, and pursuant to agreement of counsel, is not to be printed unless desired later by either side.

Defendants' Exhibit (Gary) No. 63,

June 3, 1913.

PRELIMINARY REPORT

TO

STOCKHOLDERS

OF

UNITED STATES STEEL CORPORATION.

To be submitted at the First Annual Meeting,

17th February, 1902.

UNITED STATES STEEL CORPORATION.

DIRECTORS,

J. PIERPONT MORGAN, JOHN D. ROCKEFELLER, HENRY H. ROGERS, CHARLES M. SCHWAB, ELBERT H. GARY, GEORGE W. PERKINS, EDMUND C. CONVERSE, PERCIVAL ROBERTS, JR.,	CLASS 3. For three years ending 1904.
FRANCIS H. PEABODY, CHARLES STEELE, WILLIAM H. MOORE, NORMAN B. REAM, PETER A. B. WIDENER, JAMES H. REED, HENRY C. FRICK, WILLIAM EDENBORN,	CLASS 2. For two years ending 1903.
MARSHALL FIELD, DANIEL G. REID, JOHN D. ROCKEFELLER, JR., ALFRED CLIFFORD, WILLIAM E. DODGE, NATHANIEL THAYER, ABRAM S. HEWITT, CLEMENT A. GRISCOM,	* CLASS 1. For one year ending 17 Feby., 1902.

EXECUTIVE COMMITTEE,

ELBERT H. GARY, *Chairman.*
DANIEL G. REID.
WILLIAM EDENBORN.
EDMUND C. CONVERSE.
PERCIVAL ROBERTS, JR.
CHARLES STEELE.
CHARLES M. SCHWAB, *Ex-officio.*
GEORGE W. PERKINS, *Ex-officio.*

* The successors to the eight directors of Class 1 will be elected at the first annual meeting 17th February, 1902.

FINANCE COMMITTEE,
GEORGE W. PERKINS, *Chairman.*
HENRY H. ROGERS.
NORMAN B. REAM.
P. A. B. WIDENER.
CHARLES M. SCHWAB, *Ex-officio.*
ELBERT H. GARY, *Ex-officio.*

PRESIDENT,
CHARLES M. SCHWAB.

FIRST VICE-PRESIDENT,
JAMES GAYLEY.

GENERAL COUNSEL,
FRANCIS LYNDE STETSON.

TREASURER AND SECRETARY,
RICHARD TRIMBLE.

COMPTROLLER,
EDWARD SHEARSON.

TRANSFER AGENT,
HUDSON TRUST COMPANY,
51 Newark Street, Hoboken, N. J.
71 Broadway, New York City.

PRELIMINARY REPORT
TO STOCKHOLDERS
OF
UNITED STATES STEEL CORPORATION.

Office of the United States Steel Corporation,
51 Newark Street, Hoboken, New Jersey.

January 10, 1902.

To the Stockholders of the United States Steel Corporation:

The business of the United States Steel Corporation for all practical purposes began April 1, 1901, from which date interest on the bonds and dividends on its preferred stock began to accrue. The Board of Directors has determined that the fiscal year, instead of running from April to April, shall correspond with the calendar year, and, in order to give sufficient time for preparation of annual reports to stockholders, the by-laws have been amended so as to provide that future annual meetings shall be held in April.

Under the provisions of the original by-laws, the first annual meeting must be held February 17th, 1902, and the Board of Directors deems it best to submit to the stockholders at that meeting a preliminary report which, as far as practicable, shall exhibit the operations of the Corporation for the nine months of the calendar year ending December 31, 1901.

Eight directors whose terms are about to expire being those of the first of the three classes, viz.: Marshall Field, Daniel G. Reid, John D. Rockefeller, Jr., Alfred Clifford, William E. Dodge, Nathaniel Thayer, Abram S. Hewitt and Clement A. Griscom, will be candidates for re-election at the annual meeting on February 17th, 1902.

This preliminary report covers only the first nine months of the Corporation's existence, a period too brief to satisfactorily organize and systematize the business, and necessarily it lacks the fullness and definiteness of information which it is hoped will characterize future annual reports.

But the management feels fully justified in stating that much that at the time of organization was hoped to be accomplished in the way of avoiding wasteful expenditures for unnecessary enlargement of plants by various prominent steel companies, and of establishing harmonious co-operation among them has been successfully achieved. The several companies have effected many economies which have been at-

tended with most satisfactory results, and the outlook for further improvement in this direction is most gratifying.

The business of the Companies has been put on practically a cash basis. The losses actually incurred through bad debts have been very small, and little, if any, loss in the collection of accounts and notes receivable is anticipated. About seventy per cent. of the total current monthly accounts due from customers is now being generally collected within thirty days, and it is the effort of the several managements to maintain the businesses on a strictly cash basis.

The results of operations for the nine months are as follows:

NET EARNINGS

Of all companies from operations for nine months ending December 31, 1901, viz.:

April	$7,356,744
May	9,612,349
June	9,394,747
July	9,580,151
August	9,810,880
September	9,272,812
October	12,205,774
November	9,795,841
*December (estimated)	7,750,000
Total	$84,779,298

Less amounts set aside for the following purposes, viz.:

Sinking Funds on U. S. Steel Corporation bonds and bonds of subsidiary companies	$2,263,292	
Reserve Funds	9,695,702	
		11,958,994
Balance		$72,820,304

* During the close of lake navigation, from December to April inclusive, the earnings of mining and transportation companies are, of course, diminished.

Nine months' interest on bonds		11,400,000
Balance		$61,420,304
Nine months' dividends on stocks, viz.:		
United States Steel Corporation:		
Preferred, 5¼% (7% annually)	$26,752,894	
Common, 3% (4% annually)	15,227,812	
Total	$41,980,706	
Outstanding stocks of subsidiary companies	25,101	
		42,005,807
Balance for nine months, applicable to additions to surplus, new construction, etc.		$19,414,497

From the foregoing statement, it will be seen that the net results from operations of the several companies for the first nine months (December being estimated) are as follows:

After charging to operating expenses, month by month, all current renewals and ordinary repairs for maintenance of plants, the net earnings of the several Companies amounted to almost $85,000,000.

From this sum over $2,250,000 was set aside in a Sinking Fund to retire bonds of the Corporation and its subsidiary companies; $11,400,000 was paid for nine months' interest on the Corporation's bonds; dividends on the preferred stock at the rate of 7% per annum were paid, amounting to $26,750,000, and dividends on the common stock at the rate of 4% per annum were paid, amounting to $15,227,000, making a total of over $53,000,000 paid out for interest and dividends on the bonds and stock of your Corporation during this period.

Nearly $10,000,000 was set aside in various reserve funds to cover exhaustion of the ore properties, general depreciation of machinery and plants, and to provide for extraordinary enlargements, after all of which there remained as the

result of the above nine months' operations undivided earnings of over $19,000,000.

A satisfactory Profit and Loss statement showing in detail the earnings and expenses of the several companies cannot be given until their accounting systems are uniform, so that one consolidated Profit and Loss statement of all companies can be made. The foregoing statement, however, gives a substantially accurate account of the results of the business for the first nine months, except that the earnings for the month of December are estimated.

BALANCE SHEET.

The date of this report renders it impracticable to give a complete balance sheet as of December 31st, 1901, and consequently a balance sheet showing the condition of the Companies at *November 30th, 1901,* is submitted. It exhibits the assets and liabilities represented by the capital stocks of the Corporation and by outstanding stocks of subsidiary companies except that, for simplicity, it omits indebtedness from one company to another, as such sums though assets of one company are liabilities of some other company.

ASSETS.

PROPERTY ACCOUNT—Cost of properties owned and operated by the several companies		$1,437,494,862 53
DEFERRED CHARGES TO PROFIT AND LOSS—Expenditures for Improvements, Explorations, Stripping and Development at Mines, and for advanced Mining Royalties, which are to be charged to Future Operations of the Properties		3,256,774 09
INVESTMENTS :		
Outside Real Estate and other property		429,613 25
CURRENT ASSETS :		
Inventories	95,603,997 57	
Stocks, Bonds and Securities of Outside Companies	7,251,329 45	
Accounts Receivable..$45,269,453 19		
Bills Receivable..... 2,821,463 55		
	$48,090,916 74	
Cash	55,315,527 99	
		103,406,444 73

BALANCE SHEET
30, 1901.

LIABILITIES.

CAPITAL STOCK OF U. S. STEEL CORPORATION:		
Common	$508,212,543 70	
Preferred	510,173,778 40	
		$1,018,386,322 10
CAPITAL STOCKS OF SUBSIDIARY COMPANIES NOT HELD BY U. S. S.CORP. (PAR VALUE.):		
Common Stocks	365,436 38	
Preferred Stocks	293,300 00	
Lake Superior Consolidated Mines Sub. Companies	113,189 43	
		771,925 81
BONDED AND DEBENTURE DEBT:		
United States Steel Corporation Bonds	303,450,000 00	
Funded Debt of Sub. Companies held by the Public	59,349,838 85	
Debenture Scrip	41,844 57	
		362,841,683 42
MORTGAGES AND PURCHASE-MONEY OBLIGATIONS (SUBSIDIARY COMPANIES):		
Mortgages	3,457,037 55	
Purchase-Money Obligations	15,610,754 03	
		19,067,791 58

INVENTORIES.

The inventories represent raw material, goods manufactured and in process of manufacture, and manufactured goods in transit, on consignment or at selling departments. A large part of the inventories on November 30th is made up of the necessary accumulation during the Summer and Fall of extensive tonnages of iron ore for conversion during the Winter and Spring, when, owing to the close of navigation mining and shipping are diminished.

The amount of finished product on hand is largely due to inability to obtain freight cars for deliveries to customers.

The inventories are taken on the basis of the actual cost of the materials including labor at the several departments of the companies holding the same, and this cost is below the average current market price of such commodities.

The following is a general classification of the inventories on November 30th:

Ores	$34,776,053
Pig Iron, Scrap, Spiegel and Ferro	4,752,750
Coal, Coke and other Fuel	1,160,361
Pig Tin, Lead, Copper Spelter, Nickel, etc	2,087,531
Manufacturing Supplies and Miscellaneous Stores otherwise unclassified	12,170,161
Ingots, Blooms, Billets, Sheet and Tin Bars, Skelp, Rods, Muck Bar, etc	9,343,894
Finished Products	15,322,636
Mining Supplies and Stores	1,170,859
Railroad Supplies and Stores	851,645
Materials, labor and expense locked up in current uncompleted bridge contracts	9,268,361
Materials in transit and on consignment	4,699,746
Total	$95,603,997

SINKING FUNDS AND RESERVES FOR DEPRECIATION.

The item of $21,236,040.54 for Sinking Funds and Reserves for Depreciation in the balance sheet is made up as follows:

Sinking fund on U. S. Steel Corp. bonds	$1,520,000.00
Sinking funds on bonds of Sub. Cos	1,264,197.50
Reserved for general depreciation, including that of the ore, coal and coke properties, and for extraordinary outlays which may be required for unusual expenses, for improvements and for renewals	18,451,843.04
Total	$21,236,040.54

Supplementing the information communicated by the amended Certificate of Incorporation and the amended By-Laws, copies of which are annexed, the following general statement as to the organization of the Corporation is submitted:

ORGANIZATION AND THE ISSUE OF STOCKS AND BONDS.

The United States Steel Corporation was incorporated under the laws of the State of New Jersey, the original certificate of incorporation having been filed at Trenton, February 25, 1901, and the amended certificate, April 1, 1901. By the amended certificate, the authorized capital stock of the Corporation was fixed at 11,000,000 shares of the par value of $100 each, equally divided into 5,500,000 shares of seven per cent. cumulative preferred stock (preferred as to both dividends and capital), and 5,500,000 shares of common stock.

Of the total authorized capital stock, there have been issued, and at this date (January 10, 1902), are outstanding 5,102,056 shares of preferred stock, and 5,082,273 shares of common stock. The Corporation also has issued $303,450,000 of five per cent. bonds secured by a Trust Indenture, dated April 1, 1901, to the United States Trust Company of New York as Trustee.

Substantially all of these bonds and shares have been issued to acquire the bonds and stocks of the subsidiary companies which were held by the public, as well as considerable

amounts thereof, which belonged to members of the Syndicate and to the Syndicate Managers, viz.: (1) the bonds and stock of the Carnegie Company and the capital stocks of the several other companies under the original agreement of March 1, 1901, with J. P. Morgan & Co., Managers of a Syndicate which includes among its members and participants officers and directors of this Corporation; (2) the stocks of the American Bridge Company and the Lake Superior Consolidated Iron Mines under the agreement of April 1, 1901, with J. P. Morgan & Co.; (3) the stocks of the Oliver Iron Mining Company and of the Pittsburg Steamship Company; and (4) the stocks of the Shelby Steel Tube Company, for which a contract was negotiated in June, 1901, with representatives of the stockholders of that company.

DETAILS OF ISSUE OF STOCKS AND BONDS.

(1) 4,247,688 shares of the common stock and 4,249,716 shares of the preferred stock and $303,450,000 face value of bonds of the Corporation were issued in payment for the $25,000,000 in cash, paid to the Corporation by the Syndicate Managers, and for the stocks and bonds set forth in the following table, excepting 1,644 shares otherwise acquired, and directors' qualifying shares, viz.:

Federal Steel Company	Common Stock	$46,483,700
	Preferred Stock	53,260,200
National Steel Company	Common	31,970,000
	Preferred	26,996,000
National Tube Company	Common	40,000,000
	Preferred	40,000,000
American Steel and Wire Company of New Jersey	Common	49,981,400
	Preferred	39,999,000
American Tin Plate Company	Common	28,000,000
	Preferred	18,325,000
American Steel Hoop Company	Common	19,000,000
	Preferred	14,000,000
American Sheet Steel Company	Common	24,499,600
	Preferred	24,499,600
Carnegie Company	Common Stock	160,000,000
	Bonds	159,450,000

(2) 722,025 shares of common stock, and 741,915 shares of preferred stock of the Corporation were issued for the acquisition of $29,413,905 par value of stock of the Lake Superior Consolidated Iron Mines and $30,946,400 of common stock and $31,348,000 of preferred stock par values of the American Bridge Company;

(3) 92,500 shares each of common and preferred stock of the Corporation were issued for the acquisition of an outstanding one-sixth interest in the Oliver Iron Mining Company and in the Pittsburgh Steamship Company, thus securing the ownership of all of the stock of those two companies not owned by the Carnegie Company except directors' qualifying shares; and

(4) 20,045 shares of common stock and 17,910 shares of preferred stock of the Corporation were issued for the acquisition of $8,018,200 of common stock and $4,776,100 shares of preferred stock, par values, of the Shelby Steel Tube Company under the contract above mentioned.

The Aragon Iron Mines leasehold and the stock of the Bessemer Steamship Company have been purchased for cash paid and payable by this Corporation or by some of the subsidiary companies above mentioned.

All of the bonds of the Carnegie Company and all of the stocks of the companies acquired as above mentioned by the United States Steel Corporation, have been lodged with the United States Trust Company, as Trustee, for the benefit of the Corporation and its stockholders, and to secure the payment of the $304,000,000 bonds of the Corporation authorized by the deed of trust of April 1, 1901. This deposit affords security to stockholders as well as bondholders against diversion or depletion of these important assets of the corporation.

Circulars, dated March 2, and April 2, and 8, 1901, addressed to the holders of shares of the several companies therein specified were issued and published by the Syndicate Managers. At the rates offered in the circular dated March 2, 1901, the Syndicate acquired the common stocks and pre-

ferred stocks of the seven companies (other than the Carnegie Company) as above mentioned (see p. 15), and thereupon sold and transferred the same to this Corporation under the contract of March 1, 1901. The Syndicate delivered to the holders of such stocks of said seven companies in the aggregate 2,694,909 shares of common stock and 2,616,957 shares of preferred stock of this Corporation. The Syndicate acquired sixty per cent. ($96,000,000) of the stock of the Carnegie Company, and $159,450,000 face value of the five per cent. bonds of the Carnegie Company by delivering to the holders thereof said $303,450,000 of bonds of this Corporation and $1,200,000 in cash; and the Syndicate acquired the remaining forty per cent. ($64,000,000) of the stock of the Carnegie Company by delivering to the holders thereof 982,771 shares of preferred stock and 902,790 shares of the common stock of this Corporation.

The residue of the common and preferred stock of this Corporation delivered to the Syndicate under the contract of March 1, 1901, and not used for the acquisition by it of the stocks of the specified companies, being the shares which, as stated in the Syndicate circular of March 2, 1901, were to be retained by and to belong to the Syndicate, amounted to 649,987 shares of preferred stock, and 649,988 shares of common stock. This residue of stock or the proceeds thereof, after reimbursing the Syndicate the $25,000,000 in cash which it paid to the Corporation, and approximately $3,000,000 for other syndicate obligations and expenses, constituted surplus or profit of the Syndicate.

The transactions between this Corporation and the Syndicate having been concluded, an agreement of final settlement and mutual release, dated January 3, 1902, was executed between this Corporation and the Syndicate Managers.

It will be noted that this Corporation has received and now owns in the aggregate more than ninety-nine and three-fourths per cent. of the shares of all the specified companies. The acquisition of so large a proportion of the shares has enabled the Corporation promptly to enter upon the accomplishment of the principal objects which induced its for-

mation, and has facilitated the fulfilment of the original expectations of large reductions in expenditures for improvements, of increased earnings applicable to dividends, and of greater stability of investment, without increasing the prices of manufactured products.

LEASE OF POCAHONTAS COAL LANDS.

Subsidiary companies of the Corporation have secured a lease of fifty thousand acres of the best Pocahontas coking and fuel coal property, on a royalty basis, and on favorable terms for production and transportation. Plans for the prompt development of this property on a large scale are under consideration, and it is expected that in the near future there will be received from this field a large supply of coke and fuel coal. With this acquisition, it is estimated that there is now controlled by subsidiary companies a sufficient quantity of the best and cheapest coking coal to provide, on the basis of present consumption, for the necessities of all the furnaces of these companies during the next sixty years. The Corporation has guaranteed the performance of this lease on the part of the lessees.

GENERAL RESULTS IN ORGANIZATION AND MANUFACTURING.

It was expected that by harmonious co-operation of the several companies great economies in manufacturing would be accomplished, and such expectations have been fully realized. Diversified management has been dispensed with as far as possible, and the several companies have endeavored to adopt similar methods as far as suited to their respective businesses. Great departments like Ore Mining, Coal Mining, Manufacture of Coke and Lake Transportation, have been thoroughly systematized, and the managements of the manufacturing plants in the same locality have been brought into closer relations.

The companies have endeavored to concentrate the manufacture of their various products at the point most favorable to their production, thus insuring to each ultimate economy

in manufacturing costs and in the assembling of material. The effort also is made by the different companies to regulate their manufacture of various products so that the fullest advantage can be taken of the economical production of any special article and its cheapest distribution to the consumer.

While each of the above schemes of organization has effected great economies, yet in no direction has this result been more pronounced than in that of manufacturing itself. By frequent interchange of views and full information as to the results in the several companies, each is enabled to reap the advantage of any new economy practiced or discovered by any of the others, so that each company has the advantage of the combined experience of all. Methods of accounting are being made uniform as rapidly as possible so that comparisons may readily be made. In this way, the best result attained by any of the companies is taken as the standard and the other companies endeavor to conform thereto.

Economies in manufacturing thus far have been quite remarkable, but the end is not nearly reached, nor is it likely soon to be, for through the continuous efforts to co-operate and aid in bringing about the best results at each plant, it is certain that even more favorable results ultimately will be accomplished.

THE BUSINESS OUTLOOK.

The outlook for the year 1902 is very bright. Everything indicates that all of the facilities of each subsidiary company will be taxed to their utmost to supply the demand that is being made. The actual business now booked, and of which shipment is being called for faster than it can be supplied, amounts to more than half the total combined annual capacity of all the companies. The heavier products, like rails, billets, plates and structural material are sold up to the productive capacity of the Mills, until nearly the end of the year. In the more highly finished products, the consumption in each case is greater now than at the corresponding period in 1901, which, it should be remembered, was an abnormally heavy

year. The expectation, therefore, of those closely connected with the manufacture and sale of these highly finished products, is for a demand even larger than that of 1901, and up to the limit of production.

POLICY AS TO PRICES.

The demand for the products of the several companies has been so great that prices could easily have been advanced. Indeed, higher prices have been voluntarily offered by consumers who were anxious for immediate execution of orders, but the companies have firmly maintained the position of not advancing prices, believing that the existing prices were sufficient to yield a fair return on capital and maintain the properties in satisfactory physical condition, and that the many collateral advantages to be gained in the long run by refusing to advance prices would be of substantial and lasting value, not only to the companies, but also to the general business interests of the country.

The strong position thus taken by the companies for stability in prices both of raw material and finished products, has had a reassuring effect on the trade, and has contributed greatly toward restoring confidence in the general business situation and creating the present large demand for steel products by dispelling any doubt as to prices in the future.

The Board takes pleasure in acknowledging the loyal and efficient services of the officers and employés of the Corporation.

By order of the Board of Directors,

ELBERT H. GARY, Chairman Executive Committee. CHARLES M. SCHWAB, President.

AMENDED CERTIFICATE OF INCORPORATION

OF

UNITED STATES STEEL CORPORATION.

We, the undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the Act of the Legislature of the State of New Jersey, entitled "An Act concerning corporations (Revision

of 1896)," and the acts amendatory thereof and supplemental thereto, do hereby certify as follows:

I. The name of the corporation is

United States Steel Corporation.

II. The location of its principal office in the State of New Jersey is at No. 51 Newark Street, in the City of Hoboken, County of Hudson. The name of the agent therein and in charge thereof, upon whom process against the corporation may be served, is Hudson Trust Company. Said office is to be the registered office of said corporation.

III. The objects for which the corporation is formed are:

To manufacture iron, steel, manganese, coke, copper, lumber and other materials, and all or any articles consisting, or partly consisting, of iron, steel, copper, wood or other materials, and all or any products thereof.

To acquire, own, lease, occupy, use or develop any lands containing coal or iron, manganese, stone or other ores, or oil, and any wood lands, or other lands for any purpose of the Company.

To mine, or otherwise to extract or remove coal, ores, stone and other minerals and timber from any lands owned, acquired, leased or occupied by the Company, or from any other lands.

To buy and sell, or otherwise to deal or to traffic in, iron, steel, manganese, copper, stone, ores, coal, coke, wood, lumber and other materials, and any of the products thereof, and any articles consisting, or partly consisting thereof.

To construct bridges, buildings, machinery, ships, boats, engines, cars and other equipment, railroads, docks, slips, elevators, water works, gas works and electric works, viaducts, aqueducts, canals and other waterways, and any other means of transportation, and to sell the same, or otherwise to dispose thereof, or to maintain and operate the same, except that the Company shall not maintain or operate any railroad or canal in the State of New Jersey.

To apply for, obtain, register, purchase, lease, or otherwise to acquire, and to hold, use, own, operate and introduce,

and to sell, assign, or otherwise to dispose of, any trade marks, trade names, patents, inventions, improvements and processes used in connection with, or secured under letters patent of the United States, or elsewhere, or otherwise; and to use, exercise, develop, grant licenses in respect of, or otherwise to turn to account any such trade marks, patents, licenses, processes, and the like, or any such property or rights.

To engage in any other manufacturing, mining, construction or transportation business of any kind or character whatsoever, and to that end to acquire, hold, own and dispose of any and all property, assets, stocks, bonds and rights of any and every kind; but not to engage in any business hereunder which shall require the exercise of the right of eminent domain within the State of New Jersey.

To acquire by purchase, subscription or otherwise, and to hold or to dispose of, stocks, bonds or any other obligations of any corporation formed for or then or theretofore engaged in or pursuing, any one or more of the kinds of business, purposes, objects or operations above indicated, or owning or holding any property of any kind herein mentioned; or of any corporation owning or holding the stocks or the obligations of any such corporation.

To hold for investment, or otherwise to use, sell or dispose of, any stock, bonds or other obligations of any such other corporation; to aid in any manner any corporation whose stock, bonds or other obligations are held or are in any manner guaranteed by the Company, and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other obligations, or to do any acts or things designed for any such purpose; and, while owner of any such stock, bonds or other obligations, to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting power thereon.

The business or purpose of the Company is from time to time to do any one or more of the acts and things herein set forth; and it may conduct its business in other States and in the Territories and foreign countries, and may have one office or more than one office, and keep the books of the Com-

pany outside of the State of New Jersey, except as otherwise may be provided by law; and may hold, purchase, mortgage and convey real and personal property either in or out of the State of New Jersey.

Without in any particular limiting any of the objects and powers of the corporation, it is hereby expressly declared and provided that the corporations shall have power to issue bonds and other obligations, in payment for property purchased or acquired by it, or for any other object in or about its business; to mortgage or pledge any stocks, bonds or other obligations, or any property which may be acquired by it, to secure any bonds or other obligations by it issued or incurred; to guarantee any dividends or bonds or contracts or other obligations; to make and perform contracts of any kind and description; and in carrying on its business, or for the purpose of attaining or furthering any of its objects, to do any and all other acts and things, and to exercise any and all other powers which a copartnership or natural person could do and exercise, and which now or hereafter may be authorized by law.

IV. The total authorized capital stock of the corporation is eleven hundred million dollars ($1,100,000,000) divided into eleven million shares of the par value of one hundred dollars each. Of such total authorized capital stock, five million five hundred thousand shares, amounting to five hundred and fifty million dollars, shall be preferred stock, and five million five hundred thousand shares, amounting to five hundred and fifty million dollars, shall be common stock.

From time to time, the preferred stock and the common stock may be increased according to law, and may be issued in such amounts and proportions as shall be determined by the board of directors, and as may be permitted by law.

The holders of the preferred stock shall be entitled to receive when and as declared, from the surplus or net profits of the corporation, yearly dividends at the rate of seven per centum per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on the preferred stock shall be cumulative, and shall be payable before any

dividend on the common stock shall be paid or set apart: so that, if any year dividends amounting to seven per cent. shall not have been paid thereon, the deficiency shall be payable before any dividends shall be paid upon or set apart for the common stock.

Whenever all cumulative dividends on the preferred stock for all previous years shall have been declared and shall have become payable, and the accrued quarterly installments for the current year shall have been declared, and the Company shall have paid such cumulative dividends for previous years and such accrued quarterly installments, or shall have set aside from its surplus or net profits a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the common stock, payable then or thereafter, out of any remaining surplus or net profits.

In the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the corporation, the holders of the preferred stock shall be entitled to be paid in full both the par amount of their shares and the unpaid dividends accrued thereon before any amount shall be paid to the holders of the common stock; and after the payment to the holders of the preferred stock of its par value, and the unpaid accrued dividends thereon, the remaining assets and funds shall be divided and paid to the holders of the common stock according to their respective shares.

V. The names and post-office addresses of the incorporators, and the number of shares of stock for which severally and respectively we do hereby subscribe (the aggregate of our said subscriptions, being three thousand dollars, is the amount of capital stock with which the corporation will commence business), are as follows:

Name	Post Office Address	Number of Shares Preferred Stock	Number of Shares Common Stock
Charles C. Cluff,	51 Newark Street, Hoboken, New Jersey.	5	5
William J. Curtis,	Ditto.	5	5
Charles MacVeagh,	Ditto,	5	5

VI. The duration of the corporation shall be perpetual.

VII. The number of directors of the Company shall be fixed from time to time by the by-laws; but the number, if fixed at more than three, shall be some multiple of three. The directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, each consisting of one-third of the whole number of the board of directors. The directors of the first class shall be elected for a term of one year; the directors of the second class for a term of two years; and the directors of the third class for a term of three years; and at each annual election the successors to the class of directors whose terms shall expire in that year shall be elected to hold office for the term of three years, so that the term of office of one class of directors shall expire in each year.

The number of the directors may be increased as may be provided in the by-laws. In case of any increase of the number of the directors the additional directors shall be elected as may be provided in the by-laws, by the Directors or by the stockholders at an annual or special meeting, and one-third of their number shall be elected for the then unexpired portion of the term of the directors of the first class, one-third of their number for the unexpired portion of the term of the directors of the second class, and one-third of their number for the unexpired portion of the term of the directors of the third class, so that each class of directors shall be increased equally.

In case of any vacancy in any class of directors through death, resignation, disqualification or other cause, the remaining directors, by affirmative vote of a majority of the Board of Directors, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of a successor.

The Board of Directors shall have power to hold their meetings outside of the State of New Jersey at such places as from time to time may be designated by the by-laws or by resolution of the Board. The by-laws may prescribe the number of directors necessary to constitute a quorum of the

Board of Directors, which number may be less than a majority of the whole number of the directors.

Unless authorized by votes given in person or by proxy by stockholders holding at least two-thirds of the capital stock of the corporation, which is represented and voted upon in person or by proxy at a meeting specially called for that purpose or at an annual meeting, the Board of Directors shall not mortgage or pledge any of its real property, or any shares of the capital stock of any other corporation; but this prohibition shall not be construed to apply to the execution of any purchase-money mortgage or any other purchase-money lien. As authorized by the Act of the Legislature of the State of New Jersey passed March 22, 1901, amending the 17th section of the Act concerning Corporations (Revision of 1896), any action which theretofore required the consent of the holders of two-thirds of the stock at any meeting after notice to them given, or required their consent in writing to be filed, may be taken upon the consent of, and the consent given and filed by the holders of two-thirds of the stock of each class represented at such meeting in person or by proxy.

Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. Any other officer or employé of the Company may be removed at any time by vote of the Board of Directors, or by any committee or superior officer upon whom such power of removal may be conferred by the by-laws or by vote of the Board of Directors.

The Board of Directors, by the affirmative vote of a majority of the whole board, may appoint from the directors an executive committee, of which a majority shall constitute a quorum; and to such extent as shall be provided in the by-laws, such committee shall have and may exercise all or any of the powers of the Board of Directors, including power to cause the seal of the corporation to be affixed to all papers that may require it.

The Board of Directors, by the affirmative vote of a majority of the whole board, may appoint any other Standing

Committees, and such Standing Committees shall have and may exercise such powers as shall be conferred or authorized by the by-laws.

The Board of Directors may appoint not only other officers of the company, but also one or more vice-presidents, one or more assistant treasurers and one or more assistant secretaries; and, to the extent provided in the by-laws, the persons so appointed respectively shall have and may exercise all the powers of the president, of the treasurer and of the secretary, respectively.

The Board of Directors shall have power from time to time to fix and to determine and to vary the amount of the working capital of the Company; and to direct and determine the use and disposition of any surplus or net profits over and above the capital stock paid in; and in its discretion the Board of Directors may use and apply any such surplus or accumulated profits in purchasing or acquiring its bonds or other obligations, or shares of its own capital stock, to such extent and in such manner and upon such terms as the Board of Directors shall deem expedient; but shares of such capital stock so purchased or acquired may be resold, unless such shares shall have been retired for the purpose of decreasing the Company's capital stock as provided by law.

The Board of Directors from time to time shall determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation, or any of them, shall be open to the inspection of the Stockholders, and no Stockholder shall have any right to inspect any account or book or document of the corporation, except as conferred by Statute or authorized by the Board of Directors, or by a resolution of the Stockholders.

Subject always to by-laws made by the Stockholders, the Board of Directors may make by-laws, and, from time to time, may alter, amend or repeal any by-laws; but any by-laws made by the Board of Directors may be altered or repealed by the Stockholders at any annual meeting, or at any special meeting, provided notice of such proposed alteration or repeal be included in the notice of the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the 23rd day of February, 1901.

CHARLES C. CLUFF, (L. S.)
WILLIAM J. CURTIS, (L. S.)
CHARLES MACVEAGH. (L. S.)

Signed, sealed and delivered in the presence of

FRANCIS LYNDE STETSON,
VICTOR MORAWETZ.

STATE OF NEW JERSEY, County of Hudson, } ss.:

Be it remembered that on this 23rd day of February, 1901, before the undersigned, personally appeared Charles C. Cluff, William J. Curtis and Charles MacVeagh, who, I am satisfied, are the persons named in and who executed the foregoing certificate; and I having first made known to them and to each of them, the contents thereof, they did each acknowledge that they signed, sealed and delivered the same as their voluntary act and deed.

GEO. HOLMES,
Master in Chancery of New Jersey.

10 ct. Internal Revenue Stamp Cancelled.

ENDORSED, "Received in the Hudson Co., N. J., Clerk's Office Feb'y 25th, A. D. 1901, and Recorded in Clerk's Record No. , on Page .

MAURICE J. STACK,
Clerk."

ENDORSED, "Filed Feb. 25, 1901.

GEORGE WURTS,
Secretary of State."

ENDORSED, "Filed April 1, 1901.

GEORGE WURTS,
Secretary of State."

BY-LAWS

OF

UNITED STATES STEEL CORPORATION.

As Amended to January 7, 1902.

ARTICLE I.

Stockholders.

Section 1. *Annual Meeting.* Until the annual meeting of the stockholders to be held in the year 1903, a meeting of the Stockholders of the Company shall be held annually at the principal office of the Company in the State of New Jersey, at twelve o'clock noon on the third Monday in February in each year, if not a legal holiday, and if a legal holiday, then on the next succeeding Monday not a legal holiday, for the purpose of electing Directors, and for the transaction of such other business as may be brought before the meeting.

After such meeting of the stockholders to be held in the year 1902, such meeting of the stockholders shall be held annually at said office on the third Monday of April in each year, if not a legal holiday, and if a legal holiday, then on the next succeeding Monday not a legal holiday; and the terms of office of the directors of the several classes shall continue until the election of their successors at such meeting as provided in Article II. hereof.

It shall be the duty of the Secretary to cause notice of each annual meeting to be published once in each of the four calendar weeks next preceding the meeting in at least one newspaper in each of the following places: Jersey City, N. J., New York, N. Y., Chicago, Ill., and Pittsburg, Pa. Nevertheless, a failure to publish such notice, or any irregularity in such notice, or in the publication thereof shall not affect the validity of any annual meeting, or of any proceedings at any such meeting.

Section 2. *Special Meetings.* Special meetings of the Stockholders may be held at the principal office of the Com-

pany in the State of New Jersey, whenever called in writing, or by vote, by a majority of the Board of Directors.

Notice of each special meeting, indicating briefly the object or objects thereof, shall by the Secretary be published once in each of the four calendar weeks next preceding the meeting in at least one newspaper in each of the following places: Jersey City, N. J., New York, N. Y., Chicago, Ill., and Pittsburg, Pa. Nevertheless if all the stockholders shall waive notice of a special meeting, no notice of such meeting shall be required; and whenever all the stockholders shall meet in person or by proxy, such meeting shall be valid for all purposes without call or notice, and at such meeting any corporate action may be taken.

SEC. 3. *Quorum.* At any meeting of the stockholders the holders of one-third of all the shares of the capital stock of the Company, present in person or represented by proxy, shall constitute a quorum of the stockholders for all purposes, unless the representation of a larger number shall be required by law, and, in that case, the representation of the number so required shall constitute a quorum.

If the holders of the amount of stock necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place fixed by these by-laws for an annual meeting, or fixed by notice as above provided for a special meeting called by the Directors, a majority in interest of the stockholders present in person or by proxy may adjourn, from time to time, without notice other than by announcement at the meeting, until holders of the amount of stock requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

SEC. 4. *Organization.* The President, and in his absence the Chairman of the Executive Committee, shall call meetings of the stockholders to order, and shall act as Chairman of such meetings. The Board of Directors may appoint any stockholder to act as Chairman of any meeting in the absence

of the President and of the Chairman of the Executive Committee.

The Secretary of the Company shall act as Secretary at all meetings of the stockholders; but in the absence of the Secretary at any meeting of the stockholders the presiding officer may appoint any person to act as secretary of the meeting.

SEC. 5. *Voting.* At each meeting of the stockholders every stockholder shall be entitled to vote in person, or by proxy appointed by instrument in writing, subscribed by such stockholder or by his duly authorized attorney, and delivered to the Inspectors at the meeting; and he shall have one vote for each share of stock standing registered in his name at the time of the closing of the Transfer Books for said meeting. The votes for Directors, and, upon demand of any stockholder, the votes upon any question before the meeting, shall be by ballot.

At each meeting of the stockholders a full, true and complete list, in alphabetical order, of all the stockholders entitled to vote at such meeting, and indicating the number of shares held by each certified by the Secretary or by the Treasurer, shall be furnished. Only the persons in whose names shares of stock stand on the books of the Company at the time of the closing of the transfer books for such meeting, as evidenced by the list of stockholders so furnished, shall be entitled to vote in person or by proxy on the shares so standing in their names.

Prior to any meeting, but subsequent to the time of closing the transfer books for such meeting, any proxy may submit his powers of attorney to the Secretary, or to the Treasurer for examination. The certificate of the Secretary, or of the Treasurer as to the regularity of such powers of attorney, and as to the number of shares held by the persons who severally and respectively executed such powers of attorney shall be received as *prima facie* evidence of the number of shares represented by the holder of such powers of attorney for the purpose of establishing the presence of a quorum at such meeting, and of organizing the same and for all other purposes.

SEC. 6. *Inspectors.* At each meeting of the stockholders the polls shall be opened and closed; the proxies and ballots shall be received and be taken in charge; and all questions touching the qualification of voters and the validity of proxies, and the acceptance or rejection of votes shall be decided by three Inspectors. Such Inspectors shall be appointed by the Board of Directors before or at the meeting, or, if no such appointment shall have been made, then by the presiding officer at the meeting. If for any reason any of the Inspectors previously appointed shall fail to attend or refuse or be unable to serve, Inspectors in place of any so failing to attend, or refusing or unable to attend, shall be appointed in like manner.

ARTICLE II.

BOARD OF DIRECTORS.

SECTION 1. *Number, classification and term of office.* The business and the property of the Company shall be managed and controlled by the Board of Directors.

As provided in the Certificate of Incorporation, the Directors shall be classified in respect of the time for which they shall severally hold office, by dividing them into three classes, each class consisting of one-third of the whole number of the Board of Directors. The Directors of the first class shall be elected for a term of one year; the Directors of the second class shall be elected for a term of two years; and the Directors of the third class shall be elected for a term of three years. At each annual election the successors to the Directors of the class whose terms shall expire in that year shall be elected to hold office for the term of three years, so that the term of office of one class of Directors shall expire in each year.

The number of Directors shall be twenty-four, but the number of Directors may be altered from time to time by the alteration of these by-laws.

In case of any increase of the number of Directors, the additional Directors shall be elected by the Directors then in office; one-third of such additional Directors for the unexpired portion of the term of one year; one-third for the unexpired

term of two years, and one-third for the unexpired portion of the term of three years, so that each class of Directors shall be increased equally.

Every Director shall be a holder ot at least one share of the capital stock of the Company. Each Director shall serve for the term for which he shall have been elected, and until his successor shall have been duly chosen.

At all elections of the Directors, the polls shall remain open for at least one hour, unless every registered owner of shares has sooner voted in person or by proxy, or in writing has waived the statutory provision.

SECTION 2. *Vacancies.* In case of any vacancy in the Directors of any class through death, resignation, disqualification or other cause, the remaining Directors, by affirmative vote of a majority thereof, may elect a successor to hold office for the unexpired portion of the term of the Director whose place shall be vacant, and until the election of his successor.

Such vacancy shall be filled upon and after nominations therefor shall have been made by the Finance Committee.

SECTION 3. *Place of Meeting, etc.* The Directors may hold their meetings, and may have an office and keep the books of the Company (except as otherwise may be provided for by law) in such place or places in the State of New Jersey or outside of the State of New Jersey as the Board from time to time may determine.

SECTION 4. *Regular Meetings.* Regular Meetings of the Board of Directors shall be held monthly on the first Tuesday of each month, if not a legal holiday, and, if a legal holiday, then on the next succeeding Tuesday, not a legal holiday. No notice shall be required for any such regular monthly meeting of the Board.

SECTION 5. *Special Meetings.* Special Meetings of the Board of Directors shall be held whenever called by direction of the President, or of one-third of the Directors for the time being in office.

The Secretary shall give notice of each special meeting by mailing the same at least two days before the meeting or by telegraphing the same at least one day before the meeting to each Director; but such notice may be waived by any Director. Unless otherwise indicated in the notice thereof any and all business may be transacted at a special meeting. At any meeting at which every Director shall be present, even though without any notice, any business may be transacted.

SECTION 6. *Quorum.* A majority of the Board of Directors shall constitute a quorum for the transaction of business; but, if at any meeting of the Board, there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

The affirmative vote of at least two-fifths of all the Directors for the time being in office shall be necessary for the passage of any resolution.

SECTION 8. *Order of Business.* At meetings of the Board of Directors business shall be transacted in such order as, from time to time, the Board may determine by resolution.

At all meetings of the Board of Directors, the President, or in his absence the Chairman of the Executive Committee, or in the absence of both of these officers the Chairman of the Finance Committee shall preside.

SECTION 9. *Contracts.* Inasmuch as the directors of this Company are men of large and diversified business interests, and are likely to be connected with other corporations with which from time to time this Company must have business dealings, no contract or other transaction between this Company and any other corporation shall be affected by the fact that directors of this Company are interested in, or are directors or officers of, such other corporation if, at the meeting of the Board, or of the Committee of this Company making, authorizing or confirming such contract or transaction, there shall be present a quorum of directors not so interested; and any director individually may be a party to or may be interested in, any contract or transaction of this Company, provided that such contract or transaction shall be approved

or be ratified by the affirmative vote of at least ten directors not so interested.

The board of directors in its discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders, or at any meeting of the stockholders called for the purpose of considering any such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the capital stock of the Company which is represented in person or by proxy at such meeting (provided that a lawful quorum of stockholders be there represented in person or by proxy) shall be as valid and as binding upon the corporation and upon all the stockholders as though it had been approved or ratified by every stockholder of the corporation.

SECTION 10. *Compensation of Directors.* For his attendance at any meeting of the Board of Directors, or of any Committee of the Board, every Director shall receive an allowance of ten cents for every mile travelled by him for attendance at such meeting, and also the sum of twenty dollars for attendance at each meeting. The same mileage allowance shall be made to any officer who by direction of the Board, or of the President, shall attend any such meeting.

ARTICLE III.

EXECUTIVE COMMITTEE AND FINANCE COMMITTEE.

SECTION 1. The Board of Directors shall elect from the Directors an *Executive Committee* and a *Finance Committee;* and shall designate for each of those Committees a Chairman, who shall continue to be Chairman of the Committee during the pleasure of the Board of Directors.

The Board of Directors shall fill vacancies in the Executive Committee or in the Finance Committee by election from the Directors; and at all times it shall be the duty of the Board of Directors to keep the membership of each of such Committees full, with due regard to the qualifications for such membership indicated in this Article of the By-Laws.

All action by the Executive Committee, or by the Finance

Committee shall be reported by the Board of Directors at its meeting next succeeding such action, and shall be subject to revision or alteration by the Board of Directors; *provided* that no rights or acts of third parties shall be affected by any such revision or alteration.

The Executive Committee and the Finance Committee each shall fix its own rules of proceeding, and shall meet where and as provided by such rules, or by resolution of the Board of Directors, but in every case the presence of a majority shall be necessary to constitute a quorum.

In every case the affirmative vote of a majority of all of the members of the Committee shall be necessary to its adoption of any resolution.

The Chairman and each of the members, of the Executive Committee, shall receive such compensation for their services as from time to time shall be fixed by the Finance Committee and be approved by the Board of Directors.

SECTION 2. *The Executive Committee* shall consist of six members besides the President, and the Chairman of the Finance Committee, each of whom, by virtue of his office, shall be a member of the Executive Committee. So far as practicable each of the six elected members of the Executive Committee shall be a person having, or, having had, personal experience in the conduct of one or the other of the branches of manufacture or mining, or of transportation in which the Company is interested; and, so far as practicable, the six elected members shall be taken equally from the three classes of Directors. Unless otherwise ordered by the Board of Directors each elected member of the Executive Committee shall continue to be a member thereof until the expiration of his term of office as a Director.

During the intervals between the meetings of the Board of Directors, the Executive Committee shall possess, and may exercise, all the powers of the Board of Directors in the management and direction of the manufacturing, mining and transportation operations of the Company, and of all other business and affairs (except the matters hereinafter assigned to the Finance Committee) in such manner as the Executive Committee shall deem best for the interests of the Company,

in all cases in which specific directions shall not have been given by the Board of Directors.

During the intervals between the meetings of the Executive Committee the Chairman thereof shall possess, and may exercise, such of the powers vested in the Executive Committee as from time to time may be conferred upon him by resolution of the Board of Directors, or of the Executive Committee.

SECTION 3. *The Finance Committee* shall consist of four members, besides the President, and the Chairman of the Executive Committee, each of whom, by virtue of his office, shall be a member of the Finance Committee. So far as practicable each of the four elected members of the Finance Committee shall be a person of experience in matters of finance, and so far as practicable the four elected members shall be taken equally from the three classes of Directors. Unless otherwise ordered by the Board of Directors, each elected member of the Finance Committee shall continue to be a member thereof until the expiration of his term of office as a Director.

The Finance Committee shall have special and general charge and control of all financial affairs of the Company. The General Counsel, the Treasurer, the Comptroller and the Secretary, and their respective offices shall be under the direct control and supervision of the Finance Committee.

During the intervals between the meetings of the Board of Directors, the Finance Committee shall possess, and may exercise, all the powers of the Board of Directors in the management of the financial affairs of the Company, including its purchases of property, and the execution of legal instruments with or without the corporate seal in such manner as said Committee shall deem to be best for the interests of the Company, in all cases in which specific directions shall not have been given by the Board of Directors.

During the intervals between the meetings of the Finance Committee, and subject to its review, the Chairman thereof shall possess, and may exercise any of the powers of the Committee except as from time to time shall be otherwise provided

by resolution of the Board of Directors, or of the Finance Committee, but not of the Executive Committee.

Except as otherwise provided by the By-Laws, or by resolution of the Board of Directors, all salaries and compensations paid or payable by the Company shall be fixed by the Finance Committee.

No Director shall become a salaried employee of the Company except by special vote of the Finance Committee.

ARTICLE IV.

Officers.

Section 1. *Officers.* The Executive Officers of the Company shall be a President, a Vice-President, or more than one Vice-President, a General Counsel, a Treasurer, a Secretary and a Comptroller, all of whom shall be elected by the Board of Directors.

The Board of Directors may appoint such other officers as they shall deem necessary, who shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors.

The powers and duties of the Treasurer and Secretary may be exercised and performed by the same person.

In its discretion the Board of Directors by the vote of a majority thereof may leave unfilled for any such period as it may fix by resolution, any office except those of President, Treasurer, Secretary and Comptroller.

All officers and agents shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors. All officers, agents and employes, other than officers appointed by the Board of Directors, shall hold office at the discretion of the Committee or of the officer appointing them.

The Finance Committee shall have power to suspend the General Counsel, the Treasurer, the Secretary or the Comptroller, and to remove any one in the department of the General Counsel, of the Treasurer, of the Secretary or of the Comptroller. The Executive Committee shall have power to remove all officers, agents and employes of the Company, ex-

cept officers elected or appointed by the Board of Directors, and except officers, agents and employes in the department of the Treasurer of the Secretary, of the General Counsel or of the Comptroller.

SECTION 2. *Powers and duties of the President.* The President shall preside at all meetings of the Stockholders and of the Board of Directors, and by virtue of his office he shall be a member (but not Chairman) of the Executive Committee and of the Finance Committee. Subject to the Executive Committee, he shall have general charge of the business of the Company, including manufacturing, mining and transportation, may sign and execute all authorized bonds, contracts or other obligations in the name of the Company, and with the Treasurer or an Assistant Treasurer may sign all certificates of the shares in the Capital stock of the Company. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 3. *Vice-Presidents.* The Board of Directors may appoint a Vice-President or more than one Vice-President. Each Vice-President shall have such powers, and shall perform such duties as may be assigned to him by the Board of Directors.

SECTION 4. *The General Counsel* The General Counsel shall be the chief consulting officer of the Company in all legal matters, and, subject to the Board of Directors and the Finance Committee, shall have general control of all matters of legal import concerning the Company.

SECTION 5. *Powers and duties of Treasurer.* The Treasurer shall have custody of all the funds and securities of the Company which may have come into his hands; when necessary or proper he shall endorse on behalf of the Company for collection, checks, notes and other obligations and shall deposit the same to the credit of the Company in such bank or banks or depositary as the Board of Directors or the Finance Committee may designate; he shall sign all receipts and vouchers for payments made to the company; jointly

with such other officer as may be designated by the Finance Committee he shall sign all checks made by the Company, and shall pay out and dispose of the same under the direction of the Board or of the Finance Committee; he shall sign, with the President, or such other person or persons as may be designated for the purpose by the Board of Directors or the Finance Committee, all bills of exchange and promissory notes of the Company; he may sign, with the President or a Vice-President, all certificates of shares in the Capital Stock; whenever required by the Board of Directors or by the Finance Committee he shall render a statement of his cash account; he shall enter regularly, in books of the Company to be kept by him for the purpose, full and accurate account of all moneys received and paid by him on account of the Company; he shall, at all reasonable times, exhibit his books and accounts to any Director of the Company upon application at the office of the Company during business hours; and he shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors or of the Finance Committee. By virtue of his office the Treasurer shall be Assistant Secretary.

He shall give a bond for the faithful discharge of his duties in such sum as the Board of Directors or the Finance Committee may require.

SECTION 6. *Assistant Treasurers.* The Board of Directors or the Finance Committee may appoint an Assistant Treasurer or more than one Assistant Treasurer. Each Assistant Treasurer shall have such powers and shall perform such duties as may be assigned to him by the Board of Directors, or by the Finance Committee.

SECTION 7. *Powers and Duties of Secretary.* The Secretary shall keep the minutes of all meetings of the Board of Directors, and the minutes of all meetings of the stockholders and also (unless otherwise directed by the Finance Committee) the minutes of all Committees in books provided for that purpose; he shall attend to the giving and serving of all notices of the Company; he may sign with the President in the name of the Company all contracts authorized by the

Board of Directors, or by the Finance Committee, and, when so ordered by the Board of Directors or the Finance Committee, he shall affix the seal of the Company thereto; he shall have charge of the Certificate Books, Transfer Books and Stock Ledgers, and such other books and papers as the Board of Directors or the Finance Committee may direct, all of which shall, at all reasonable times, be open to the examination of any Director, upon application at the office of the Company during business hours; and he shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors, and of the Finance Committee. By virtue of his office the Secretary shall be Assistant Treasurer.

SECTION 8. *Assistant Secretaries.* The Board of Directors or the Finance Committee may appoint one Assistant Secretary or more than one Assistant Secretary. Each Assistant Secretary shall have such powers and shall perform such duties as may be assigned to him by the Board of Directors, or by the Finance Committee.

SECTION 9. *Comptroller.* The Comptroller shall be the principal officer in charge of the accounts of the company; and shall perform such duties as from time to time may be assigned to him by the Board of Directors or the Finance Committee.

SECTION 10. *Voting upon Stocks.* Unless otherwise ordered by the Board of Directors, or by the Finance Committee, the Chairman of the Finance Committee or the Chairman of the Executive Committee shall have full power and authority in behalf of the Company to attend and to act and to vote at any meetings of stockholders of any corporation in which the Company may hold stock, and at any such meeting shall possess and may exercise any and all the rights and powers incident to the ownership of such stock and which, as the owner thereof, the Company might have possessed and exercised if present. The Board of Directors or the Finance Committee, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE V.

Capital Stock—Seal.

Section 1. *Certificates of Shares.* The certificates for shares of the capital stock of the Company shall be in such form, not inconsistent with the certificate of incorporation as shall be prepared or be approved by the Board of Directors. The certificates shall be signed by the President or a Vice-President, and also by the Treasurer or an Assistant Treasurer.

All Certificates shall be consecutively numbered. The name of the person owning the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the Company's books.

No certificate shall be valid unless it is signed by the President or a Vice-President, and by the Treasurer or an Assistant Treasurer.

All certificates surrendered to the Company shall be canceled, and no new certificate shall be issued until the former certificate for the same number of shares of the same class shall have been surrendered and canceled.

Section 2. *Transfer of Shares.* Shares in the Capital Stock of the Company shall be transferred only on the books of the Company by the holder thereof in person, or by his attorney, upon surrender and cancellation of certificates for a like number of shares.

Section 3. *Regulations.* The Board of Directors, and the Finance Committee also, shall have power and authority to make all such rules and regulations as respectively they may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the Company.

The Board of Directors or the Finance Committee may appoint a Transfer Agent and a Registrar of Transfers, and may require all stock certificates to bear the signature of such Transfer Agent and of such Registrar of Transfers.

Section 4. *Closing of Transfer Books.* The stock transfer books shall be closed for the meetings of the stockholders,

and for the payment of dividends, during such periods as from time to time may be fixed by the Board of Directors or by the Finance Committee, and during such periods no stock shall be transferable.

SECTION 5. *Dividends.* The Board of Directors may declare dividends from the surplus or net profits of the Company over and above the amount which from time to time may be fixed by the Board as to the amount to be reserved as working capital.

The dates for the declaration of dividends upon the Preferred Stock, and upon the Common Stock of the Company shall be the days by these by-laws fixed for the regular monthly meetings of the Board of Directors in the months of April, July, October and January in each year, on which days the Board of Directors, in its discretion, shall declare what, if any, dividends shall be declared upon the Preferred Stock, and the Common Stock, or either of such stocks.

The dividends on the Preferred Stock shall be payable quarterly on the sixth Wednesday next after the several dates of the declaration thereof.

SECTION 6. *Working Capital.* The directors shall not be required in January in each year, after reserving over and above its capital stock paid in as a working capital for said corporation, such sum, if any, as shall have been fixed by the stockholders to declare a dividend among its stockholders of the whole of its accumulated profits exceeding the amount so reserved, and pay the same to such stockholders on demand; but the Board of Directors may fix a sum which may be set aside or reserved, over and above the Company's capital paid in, as a working capital for the Company, and from time to time they may increase, diminish and vary the same in their absolute judgment and discretion.

SECTION 7. *Corporate Seal.* The Board of Directors shall provide a suitable seal, containing the name of the Company, which seal shall be in charge of the Secretary, if and when so directed by the Board of Directors or by the Finance

Committee. A duplicate of the Seal may be kept and used by the Treasurer or by any Assistant Secretary or Assistant Treasurer.

ARTICLE VI.

AMENDMENTS.

SECTION 1. The Board of Directors shall have power to make, amend and repeal the By-Laws of the Company, by vote of a majority of all of the Directors, at any regular or special meeting of the Board, *provided*, that notice of intention to make, amend or repeal the By-Laws in whole or in part shall have been given at the next preceding meeting; or without any such notice, by a vote of two-thirds of all of the Directors.

Defendants' Exhibit (Gary) No. 64,

June 3, 1913.

An illustrated volume entitled "United States Steel Corporation; Bureau of Safety, Relief, Sanitation and Welfare," was received in evidence, and pursuant to agreement of counsel, is not to be printed.

Defendants' Exhibit No. 64-a,

June 4, 1913.

A book containing the executive committee meeting minutes of the United States Steel Corporation, was marked for identification purposes only, and will not be printed.

TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1[redacted] 1[redacted] 1919

No. [redacted] 16[redacted] 6

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 3.

DEFENDANTS' EXHIBITS.

FILED MAY 12, 1916.

(25292)

UNITED STATES

vs.

UNITED STATES STEEL CORPORATION

DEFENDANTS' EXHIBITS, VOLUME III.

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No. 66,	Remarks made by Mr. E. H. Gary at a luncheon to certain Iron and Steel Manufacturers at the Metropolitan Club, New York, May 29, 1911	296
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Defendants' Exhibit	*Subject*	*Page*
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Defendants' Exhibit (Gary) No. 65,

June 12, 1913.

UNITED STATES STEEL CORPORATION
Office of the President
MEMORANDUM

Copy

September 20th, 1905.

PERSONAL

Dear Sir:—

As you know, this Corporation long since adopted the unalterable policy of recommending to subsidiary Companies in which it is interested that under no circumstances should rebates be solicited or received contrary to law. This policy will be strictly adhered to, and it is hoped and expected your subordinates will be advised and instructed accordingly.

If anyone should at any time violate his instructions in this respect, notice of the same should be promptly given to the President of the subsidiary Company interested and also to the undersigned.

Yours very truly,
W. E. COREY,
President.

A. J. Cassatt	P. R. R.
Geo. J. Gould	Mo. Pac.
F. N. Finney	M., K. & T.
Eugene Zimmerman	C., H. & D.
Stuyvesant Fish	Ill. Cent.
Sam'l Spencer	Southern Ry.
M. H. Smith	L. & N.
M. H. McDowel	Monon. System—Chicago.
W. H. Newman	N. Y. Central
W. H. Truesdale	Lackawanna Ry.
F. D. Underwood	Erie
G. J. Grammer	Lake Shore
Jas. McCrea, V. P.	P. R. R.
F. A. Delano, V. P.	Wabash
L. C. Stubbs, Traffic Director,	Harriman Lines

Oscar Murray	B. & O.
Geo. B. Harris	Burlington System
E. P. Ripley	Santa Fe
B. L. Winchel	Rock Island
A. J. Earling	C., M. & St. P.
M. Hughitt	C. & N. W.
S. C. Stickney	C. G. W.
Howard Elliott	Northern Pac.
J. J. Hill	Great Northern
J. H. Edson	Kansas City Southern
Sam'l Felton	Chicago & Alton

Defendants' Exhibit (Gary) No. 66,

June 13, 1913.

Remarks made by

MR. E. H. GARY

At a Luncheon

given to certain Iron and Steel Manufacturers at the Metropolitan Club, New York

May 29, 1911

Gentlemen, I thank you from the bottom of my heart for your attendance on this occasion. You have come here at considerable sacrifice to your interests and to your convenience. You have come here pursuant to a well-developed, considerate, affectionate regard for your associates in the iron and steel business. You have been requested to come here for the purpose of testing your intelligence and your grit. You have been requested to meet here for the purpose of inquiring, one of the other, as to whether or not you and your business can be entirely demoralized by the disposition or the action of one individual or a few individuals in the trade.

I believe this is a time when the iron and steel leaders should particularly take account of the existing conditions and

carefully consider what course should be pursued in order to protect themselves in the future. There are many questions in which we collectively and individually are interested, aside from the mere question of securing for ourselves a few dollars. Just at this particular time our minds are filled with the late decision of the Supreme Court in the Standard Oil case. The entire public has been waiting most anxiously for that decision in order to determine, as far as possible, upon what foundation the business of this country rested and what it might expect would be proper and allowable concerning the future conduct of business. I have had an impression from the newspaper reports and criticisms that there might be some danger of misrepresentation of the language of the Supreme Court in that case, and if so, that much harm instead of good might result from that decision.

I would not undertake to enter into any legal discussion of the question involved, even if I were capable of doing so, but there is a view of the decision to which I ask your attention. You have read statements made by many different people to the effect that the Supreme Court had modified the Sherman Law and had read into that act the word "unreasonable." I am inclined to think even if that were true, to which I do not agree, the adoption of that view and conduct based upon it might result in very great harm to the business interests of the country generally. And I offer, simply for your consideration, this view of the decision: that the Supreme Court, instead of saying that there may be reasonable restriction of trade or reasonable monopolies, intended to say that in the application of the law to the facts in a case there must be reason exercised. In other words, that the Supreme Court has said that there must be a reasonable application of the law to a case in point, rather than that the conduct itself, if in violation of the law, must be unreasonable in order to be a violation. To make the point a little more clear, let me give you a single, simple illustration: there was a law passed in a foreign state to the effect that it should be unlawful to sell or give away intoxicating liquors. The object of the word "give" was to prevent an evasion of the law, as you may see. In a certain city within the borders of that

state a brewer invited some of his friends for dinner. After dinner he and his friends visited the brewery and went into the office. While there he asked some of the men in attendance to bring into the room some beer, which was drunk by all who were present, and some kind—or otherwise—friend immediately commenced prosecution against the brewer for giving away intoxicating liquor. The Supreme Court stated that they thought it would be a most unreasonable application of the law to hold a man guilty under circumstances like that. Therefore, it is very important for the Court, in determining whether the Sherman Act is applicable to a particular case, to have before it facts which show whether the persons charged have intended to materially restrict trade or have intended to create and exercise a monopoly; and in ascertaining such intent and in passing upon such a case, you will see it is very material to consider what is the conduct of the parties interested or involved, and what is the intention of those parties.

Now, why do I bring this up at this time? If the business interests of this country generally should reach the conclusion, by reason of the decision in the Standard Oil case, or the decision which shall be rendered in the Tobacco case, that the Sherman Act, so-called, has been overthrown; that it is not of any importance so far as our future conduct is concerned; that we are not obligated to go ahead, on right lines; that we are relieved from the necessity of conducting ourselves in such a way as to evidence a regard for the interests of those with whom we come in contact—with our neighbors, with our customers, with our employees, with the public generally—that we may go on step by step, becoming worse and more unreasonable instead of better; we shall find that as a result and in the long run we will suffer by reason of such an attitude. And if that is true, then it behooves us, gentlemen, to have in mind, uppermost in our thoughts, the one idea above all others that we should conduct ourselves in such a way as to make it certain we are of some benefit and not injury to all who are influenced by or interested in the result of our business. I consider this most important, gentlemen, and I hope when we find to what policy the Administration in Washington has settled down, for the governing and con-

trolling of the great business interests of this country, that we steel and iron people in this country, instead of being found in opposition to that general policy which is calculated to be of benefit to the people of the country, will line up with the Administration and take a position foremost in the ranks of those who, in a patriotic way, are attempting to do what they can for their fellowmen. I do not care whether it is a federal incorporation act the lawmakers may determine upon, or what it may be, if it is reasonable or if it is determined by the Administration or the lawmakers to be reasonable, let us—occupying a great position in the activities of business life—let us take a leading part in doing our best to bring about an improvement in the conditions which surround us. I throw this out for your consideration, gentlemen, and I hope you will give it due thought, and I believe that, when the final judgment by the administrators of the law is rendered concerning our part in the business activities of this country, it will be favorable to us if we occupy the high position which I have suggested. Remember, when we are talking about patriots, statesmen, leaders of thought and action in this country, that there is no one in Congress or anywhere else who has any higher duty or greater responsibility or stronger desire to promote the business interests of this country than the men around this table. We do not need the suggestions of anyone in order to make up our minds as to what we will do when these questions of ethics and economics and politics are brought to our attention. We should be the leaders and not the followers.

Now, then, gentlemen, I should like to suggest another thought which is applicable to the question of prices of our commodities. You know by my frequent and repeated statements that I have never stood for unchanging or unchangeable prices, nor have I ever advocated prices in any line which were unreasonable or too high, taking everything into account. I have never, to my knowledge, opposed the reduction of any price suggested by a majority of the iron and steel makers, after there had been full opportunity for consultation, and generally when any one of the iron and steel makers has, after due deliberation, made up his mind that his prices were too

high and ought to be reduced, I have not made any opposition in our Company to following the lead of that individual; but, on the other hand, I have advocated and shall always advocate, so long as I believe I have the right to do so, the stability of prices, the regularity of business conduct on the part of all that is calculated to recognize and advance the interests of all others. I have urged you to remember and I again call attention to the fact that when you make substantial reductions in your prices, if you reduce to a price that is unfair and unreasonable and you make so small a profit that it does not yield you a fair return on your investment and your risk, you at least place for consideration before everyone the possible necessity of reducing the cost of production, including prominently, if not principally, the wages which you are paying, or may be allowed to pay, to the man or the men in your employ. Do not forget that the laboringmen—the employees of the corporations—have more at risk, when these questions are considered of reducing prices below what is reasonable and fair, than the employer, because it is just as natural as it is right and fair that if reasonable profits are prevented and your prices are put down below what they ought to be, then as a matter of necessity you are forced to consider and perhaps decide in favor of a liquidation of the wages of your employees; and you have no right to disregard them and their interests. You have no right to run the risk of being compelled to put their wages below what they ought to be unless you are driven to it, and I hope, under the present circumstances, gentlemen, that whatever may be done, or whatever may happen as a result of present conditions, you will not reduce the wages of your employees until you feel it is an absolute necessity to do so.

We should undertake to place ourselves on a plane much higher than the demagogue or the reformer who attempts to assail us and who pretends to be the champion of the laboringman. We do not need any suggestions from people like that. We know what our duty is, we know what the rights of our employees are, and we feel obligated, and take pleasure in knowing that we are at all times doing all we can for the people in our employ in keeping their wages up and in bet-

tering their condition and keeping them in a position where they may enjoy life. We are the ones to lead in this movement. So, gentlemen, I bring this up because I have read in some of the newspapers that there will undoubtedly soon be a reduction in wages—and we may be forced to it. I shall regret it if we are—but, gentlemen, let us not come to the conclusion of reducing wages until we are compelled to do so. Let us keep them as high as we can just as long as we can.

Now, we are confronted with a very serious and disagreeable problem. It is not for me to criticise men nor to pass judgment on the motives of men. Whether people who have changed their minds suddenly are actuated by motives of cupidity or motives of necessity is not for me to say. One thing we know that one of the leading iron and steel companies hitherto joining in our councils, learning from us our intentions, our business, our methods, our clients, our customers, everything of benefit and interest for one to know concerning his neighbor, has suddenly for reasons considered good by those in charge, given notice that for the present at least it is not desirable to co-operate with us. If I believed the reason was that the officials of that company had reached the conclusion they had no right, from the standpoint of law or good morals to continue, I would be the last one to criticise. I would not expect or ask any one to do anything he believed wrong, legally or morally; but on the other hand, gentlemen, if any one who has been co-operating in a lawful way, not in secret, but under conditions well known and frequently exposed by all of us, suddenly changes his opinion and believes it is for his pecuniary interest for the time being to withdraw from associating with us and declines to give us any information concerning what he is doing or proposes to do, leaving himself free to go to your customers and mine and get the business for himself, regardless of price, and simply for the purpose of filling his mill temporarily and securing for himself a customer who has been your customer or mine, then I do not hesitate to say that, so far as I am concerned, I am perfectly willing to let him stand outside of the circle of intercourse and friendly conversation and open and above-board fair dealing and frankness in expression;

but if I have sufficient influence, it shall not in the least affect the relations of all the rest of us. Whatever we do with reference to prices, whatever we may decide is necessary in order to protect our interests on this occasion and under these circumstances, in my opinion it is highly important for the long future that we continue our relations of friendship and open and frank expression with reference to what we are doing. Now, I do not know the feeling of the rest of you; I do not know what you are disposed to do. I think that so far as we are concerned we would be largely influenced by the action of others; and while insisting upon the position from which I have never varied, I would not under any circumstances make any agreement, express or implied, direct or indirect, to maintain certain prices, to keep away from customers, to divide territory, to restrict output or to make any agreement of any sort or description with you or any of you, because, as I understand the law, I have no right to do it; yet at the same time, I would do what I have always said I would do, I would tell you and each of you at any time exactly what we were doing; I would give you the name of our customers, I would tell you what prices we were charging, I would give you any information concerning our business, concerning our mills, concerning our clients, concerning ourselves that you wanted to have, so long as you have the same disposition toward me.

Never before in the history of the business of this country, and probably of any country, have the people engaged in one line of industry occupied such a high position as that occupied by the iron and steel people in this country at the present time, and, gentlemen, while you may have read in some newspapers contrary statements made by people who were not interested in your welfare or the welfare of the people of this country generally and who talked from a political standpoint or selfish standpoint, yet you know as well as I, that you have secured for yourselves the respect and the admiration of the well-thinking people of this country and of all other countries because of your attitude in these matters.

While it may be true that as a result of your friendly conferences you have added to the stability of business in this

country and have therefore been of great benefit to yourselves and to your customers and to your employees, yet, at the same time, in my opinion, taking into account the broader view and the long future of the business, you have done much more for yourselves in reaching this attitude which I have referred to, which, in my opinion, is the highest ever occupied by any men engaged in one line of business, and I believe that is more important to consider at this time than any other question we could take up. Do not think that I minimize the troubles you are in—the troubles we are all of us in—do not think I am going to ask you to throw your business away or wreck your plants or disregard the rights and interests of your employees or any one else; do not think I overlook the business part of the questions which are involved, and which are under discussion at the present time; but the question of mere dollars and cents, of making or losing a few dollars today or tomorrow or the next few months, in my opinion, is of slight consequence as compared with the better and higher things that you have had in mind during the last few years, and so it would please me immensely if you gentlemen, while considering the practical questions which are involved at the present time, should resolve, in your own minds, that so far as you can, so far as you have the lawful right, to stand together or at least to come together in friendly intercourse, not reserving to yourselves any question of information or knowledge you have, dealing in frankness and fairness, avoiding duplicity, avoiding questions of selfishness, dealing in the open, treating one another as friends, not as enemies, standing by and for one another, fighting for one another if necessary; protecting yourself against the man who undertakes to impose upon you and to override you and your interests, placing and keeping toward such a one a united front, not for the purpose or with the view of injuring him or anyone else; but for the purpose of protecting yourselves and your interests.

If you have a customer located in some city who has a large stock of goods which he bought from you at a certain price, you have no right to disregard his interests and to unnecessarily reduce the prices to such an extent and in such

a way as will force him into bankruptcy. I have already adverted to the consideration you must have for your employees. And so the same is true of the rights and interests of your associates. There is only a certain amount of business; you cannot increase it, you cannot change it, you can get it away from your friend for a day or a week. Perhaps you can make a contract for a time and get a particular order, but in the long run, on the average, month by month, year by year, you cannot get and keep his business. The man you get today he will get from you tomorrow. There is only so much business and if you have twice as much capacity as the demand, then it follows, as a natural and certain result, that, on the average, you are only going to get fifty per cent. of your capacity in orders. There is no possible way in which you can change that, except temporarily, and there is no reason why you should want to change it.

I am not in a position to dictate to you, gentlemen, and if I were in such a position I certainly would have no disposition to do so. I am willing to stand with and by and for you, and you know, gentlemen, so far as our Company is concerned, all share my opinion, that all have the same opinion. There isn't a man here who would not go to the President of our Company and give him his pocketbook and his orderbook, if necessary, and tell him to do what he pleased with it. You have confidence in him, you know you can trust him, you know he will never deceive you, you know he will never falsify, you know perfectly well he is dependable, and what you know of him he knows of you. Isn't that a splendid thing, that after these years—the last four years particularly—we should have been traveling together year by year, month by month, day by day, and instead of ascertaining by this close contact how many tricks there were in each other's disposition, have formed a contrary opinion and have learned to have absolute confidence in one another? Gentlemen, isn't it a splendid thing? Was there ever anything like it before?

Of course if anyone believes that the time of co-operation has passed, if he deliberately and conscientiously reaches the conclusion that he is not serving his company by this disposition to conciliate and co-operate, then certainly no one

could object to his saying frankly and boldly what conclusion he has reached, and we could all be governed accordingly; but if, on the other hand, we believe by long experience that, acting as we have and to the extent we have, within the lines of law and within the lines of reason and within the lines of propriety and good morals, we have been doing the best thing; then it seems to me that the first thing for us to decide is that we have no disposition to depart from the course which we have been pursuing; and if you reach that conclusion to-day, gentlemen, then some may have some suggestions of a more practical character to consider with reference to what is necessary, if anything, to be done at the present time, concerning this particular business in question. On the other hand, if it is your opinion that the time for co-operation has gone by or that it should be suspended, then we ought to find that out and we will all go our way, parting as friends, but at the same time separating entirely; which means that we will simply go upon our way, doing our own business in our own way, when, how and where we please.

What will be the result practically if we do that? Why, we will say here is a company which has a mill in a certain locality—it is not necessary to name that company, but it has withdrawn from our councils and it is not disposed to co-operate, and it proposes to do business in its own way and to charge such prices as seem to it necessary, in order to get the business it wants; in order to fill its mills. That company goes into a certain locality and finds Mr. King and Mr. McCullough with mills in that locality and it proposes to get the business of their clients and, in the ordinary way, it goes to Mr. King's client and says "I want your business, and I will sell you bars at $1.10 and $1.05," and Mr. King's client says, "I think I can deal with you; that is pretty low, but I will let you know to-morrow morning," and to-morrow morning or before to-morrow Mr. King's client goes to Mr. King and says, "I am offered bars at $1.05. Do you want to lose that business; do you want to lose me?" and Mr. King says, "Well, no, I don't think so and if a company is offering bars to you at $1.05, I think I will let you have them." "Well,"

the man says, "then I think probably I will stick to you. I will let you know to-morrow morning." And he goes to Mr. McCullough and goes through the same thing there and Mr. McCullough says, "Is Mr. King offering them at $1.05?" "Yes." "If Mr. King has done it I am surprised, but I think I will let you have them at $1.04. You are Mr. King's client but I want business and I will let you have those bars at $1.04," and he plays those two against each other as long as he can, but finally he goes back to this first company, which started the trouble, and closes with it at $1.00. In other words, the customer is not playing this one company against all the rest, but he is going to get others in there and they are playing against one another, whereas, if they were in consultation or co-operation, Mr. McCullough when he received the offer would go to Mr. King and say, "Your customer has been around and says that an outside company will sell at $1.05," and then Mr. King and Mr. McCullough find out about where they stand and the man has failed to play them against each other; and if they have to deal in such a way as to prevent this outside company from taking the business, they at least know what they are doing and they did not have to fight each other. The point is stated in a rather bungling way, but you gentlemen who are in business from day to day know better than I do how it is done. And if you are in consultation and each knows what the other is doing, you cannot be used against one another. Having full information as to what one another's prices are, you can take care of yourselves against the one company who is entirely outside of your friendly and proper co-operation. That is the point.

Now, I have about finished. I am going to call on one or two others, with a view of developing the question as to whether you think, under all the circumstances, it is better for us to part friends and say, "Let every man take care of himself." If you think, for any reason, it is necessary for it to be done or that it ought to be done, then I hope you will be frank enough to say so, that we may have an understanding. My judgment is entirely to the contrary.

We have not only enjoyed the associations with you gentlemen but you have been of great benefit to us. It has

been not only a great pleasure, but it has been a great profit and we have made money for ourselves and we have pleased, by our conduct, every one who is interested in us.

Among other things, when demand was great and the capacity was insufficient, we have prevented prices from going higher, which is just as important as to prevent them going too low. One is just exactly as important as the other. I am sure I have never stated an opinion here which I did not believe was in accordance with the opinions of the rest of you—I have never intended to disregard your opinions or go outside of and away from them; I have tried to find out what was in your minds and have acted and talked in accordance with what I believed to be your wishes and your own conclusions, and I say that we have never stood for unreasonably high prices any more than we are willing to have unreasonably low prices. What we advocate is stability of prices. We know our customers like that. We know it is better for the mills, we know it is better for the employees in every way. That is why I think it is of great importance for each of us to know all the time what the rest are doing. (Applause.)

Defendants' Exhibit (Filbert) No. 68
June 16, 1913

UNITED STATES STEEL CORPORATION

Statement showing, for the years named below, the Tonnage of All Kinds of Products, other than iron ore, coal, coke and cement, shipped by the Corporation to Customers in the Domestic and Export Trade respectively, based on including in such tonnages the plain rolled material shipped to American Bridge Co., by subsidiary companies for fabrication by former, but not including the resulting tonnage of such fabricated work shipped by the Bridge Company to Domestic Trade.

Year	DOMESTIC			EXPORT			TOTAL	
	Gross Tons	Per Cent. of Corp'ns Total Tonnage	Per Cent. of Increase over 1902	Gross Tons	Per Cent. of Corp'ns Total Tonnage	Per Cent. of Increase over 1902	Gross Tons	Per Cent. of Increase over 1902
1902	8,003,603	96.7	-	275,833	3.3	-	8,279,436	-
1903	7,242,635	95.4	9.5	350,824	4.6	27.2	7,593,459	8.3
1904	5,818,149	85.3	27.3	1,002,272	14.7	263.4	6,820,421	17.6
1905	8,434,718	90.1	5.4	929,522	9.9	237.0	9,364,240	13.1
1906	9.703,481	90.2	21.2	1,050,537	9.8	280.9	10,754,018	29.9
1907	9,333,901	90.5	16.6	985,406	9:5	257.2	10,319,307	24.6
1908	5,409,739	87.5	32.4	775,793	12.5	181.3	6,185,532	25.3
1909	9,219,927	90.3	15.2	985,910	9.7	257.4	10,205,837	23.3
1910	9,997,419	89.3	24.9	1,196,316	10.7	333.7	11,193,735	35.2
1911	8,177,577	82.7	2.2	1,709,800	17.3	519.9	9,887,377	19.4
1912	10,877,544	82.9	35.9	2,243.138	17.1	713.2	13,120,682	58.5

Above statement includes T. C. & I. Shipments for 1908 and subsequent years.

Defendants' Exhibit (Filbert) No. 69
June 16, 1913

COMPARATIVE STATEMENT OF PERCENTAGE OF TOTAL PRODUCTION IN THE UNITED STATES OF FINISHED ROLLED IRON AND STEEL PRODUCTS, BY RESPECTIVELY THE U.S. STEEL CORPORATION AND ALL OTHER MANUFACTURERS FOR THE YEARS 1901 AND 1911

Proportion of Total Tonnage Produced represented by the Production of the various classes of steel			CORPORATION		OTHER MANUFACTURERS	
1901	1911		1901	1911	1901	1911
%	%					
23.3	14.8	Steel Rails	59.8	56.1	40.2	43.9
8.2	10.0	Heavy Structural Shapes	62.2	47.0	37.8	53.0
		Plates and Sheets:				
Details Not Available	12.3	12 Gauge and heavier	Details Not Available	43.8	Details Not Available	56.2
	11.9	13 Gauge and thinner		47.8		52.2
18.2	23.8	Total Plates and Sheets	64.6	45.7	35.4	54.3
11.1	12.9	Wire Rods	77.6	64.7	22.4	35.3
		Other Rolled Products:				
	16.0	Merchant Bars		21.5		78.5
	10.4	Skelp		49.0		51.0
	3.0	Hoops, Bands & Cotton Ties		64.6		35.4
	.9	Splice Bars		48.0		52.0
Details Not Available	1.2	Rolled Forging Blooms and Rolled Forging Billets	Details Not Available	17.8	Details Not Available	82.2
		Concrete Bars, Sheet Piling, Railroad Ties, Spike, Chain,				

Defendants' Exhibit (Filbert) No. 70
June 16,1913

COMPARATIVE STATEMENT OF TOTAL TONNAGE OF FINISHED ROLLED IRON AND STEEL PRODUCTS PRODUCED IN THE UNITED STATES BY RESPECTIVELY THE U. S. STEEL CORPORATION AND ALL OTHER MANUFACTURERS FOR THE YEARS 1901 AND 1911

	CORPORATION		OTHER MANUFACTURERS		% of Increase over 1901	
	1901	1911	1901	1911	Corporation	Other Mfrs.
	G.Tons	G.Tons	G.Tons	G.Tons		
Steel Rails	1,719,075	1,583,942	1,153,833	1,238,614	7.9	7.3
Heavy Structural Shapes	629,733	898,466	383,417	1,013,901	42.7	164.4
Plates and Sheets:						
12 Gauge and heavier	Details not available	1,023,520	Details not available	1,310,821		
13 Gauge and thinner		1,028,595		1,125,113		
Total Plates and Sheets	1,456,897	2,052,115	797,528	2,435,934	40.9	205.4
Wire Rods	1,059,859	1,586,594	306,075	863,859	49.7	182.2
Other Rolled Products:						
Merchant Bars	Details not available	653,517	Details not available	2,393,845		
Skelp		970,863		1,009,810		
Hoops, Bands & Cotton Ties		366,982		200,902		
Splice Bars		78,480		85,090		
Rolled Forging Blooms and Rolled Forging Billets		41,146		189,969		
Concrete Bars, Sheet Piling, Railroad Ties, Chain, Bolt and Horse Shoe Bars, Strips and Miscellaneous		471,719		854,667		
Nail Plate and Iron Rails		0		48,756		
Total Other Rolled Products	1,324,393	2,582,707	3,518,516	4,783,039	95.0	35.9
Grand Total of All of the Above Finished Rolled Iron and Steel Products	6,189,958	8,703,824	6,159,369	10,335,347	40.6	67.3

BY U. S. STEEL CORPORATION AND OTHER MANUFACTURERS

FOR THE YEARS 1901 AND 1911

This statement shows a classification of the above mentioned production by the classes of mills on which made and presents the statistics on a basis which exhibits competitive conditions in better manner than does a division of the product by gauges.

	PERCENTAGE OF TOTAL PRODUCTION IN U. S.				TONNAGE PRODUCED IN YEAR 1911		PER CENT OF INCREASE OVER 1901	
	BY CORPORATION		BY OTHERS					
	1901	1911	1901	1911	CORPORATION	OTHERS	CORP'N	OTHERS
	%	%	%	%	G. Tons	G.Tons		
Plates produced on what are generally termed Plate Mills and consisting mainly of the heavier grades of plates.....	58	48	42	52	962,678	1,044,215	25.5	90.6
Sheets produced on what are generally termed Sheet Mills and consisting mainly of the lighter grades of plates, although to some extent they embrace the heavier gauges.....	67	36	33	64	533.129	955,411	65.5	511.1
Black Plate produced on so called Tin Hot Mills, used very largely by producers for tinning, although quite a percentage of the output is sold for stamping, enameling stock, show card stock, stove pipe stock, tea tray stock, etc.....	80	56	20	44	556,308	436,308	51.3	367.5
Total Production of Plates and Sheets.....	64.6	45.7	35.4	54.3	2,052,115	2,435,934	40.9	205.4

RELATIVE POSITION IN THE TRADE OF STEEL CORPORATION AND OTHER MANUFACTURERS

IN THE PRODUCTION OF WELDED AND SEAMLESS PIPE AND TUBES

IN THE YEARS 1901 AND 1911

COMPARATIVE STATEMENT OF PERCENTAGE OF TOTAL PRODUCTION
IN THE UNITED STATES, OF RAW AND SEMI-FINISHED MATERIALS AND PRODUCTS,
BY RESPECTIVELY THE U. S. STEEL CORPORATION AND ALL OTHER MANUFACTURERS
FOR THE YEARS 1901 AND 1911

	U. S. Steel Corporation		Other Manufacturers	
	1901	1911	1901	1911
	%	%	%	%
Total Iron Ore Produced in United States.....	45.1	45.8	54.9	54.2
Total Iron Ore Shipped from the Lake Superior Ranges.....	61.6	54.3	38.4	45.7
Total Coke Produced in United States.....	41.1	34.1	58.9	65.9
BLAST FURNACE PRODUCTS				
Bessemer and Low Phos. Pig Iron.....	61.7	61.1	38.3	38.9
Basic Pig Iron.....	40.3	53.4	59.7	46.6
Total of the foregoing.....	58.9	57.5	41.1	42.5
Foundry and All Other Grades of Pig Iron.....	3.4	5.4	96.6	94.6
Ferro-Manganese and Spiegel.....	65.4	76.3	34.6	23.7
Total of Blast Furnace Product.....	43.2	45.4	56.8	54.6
TOTAL STEEL INGOTS AND STEEL CASTINGS PRODUCED.....	65.7	53.9	34.3	46.1

COMPARATIVE STATEMENT OF TOTAL TONNAGE OF RAW AND SEMI-FINISHED
MATERIALS AND PRODUCTS, PRODUCED IN THE UNITED STATES
BY RESPECTIVELY THE U. S. STEEL CORPORATION AND ALL OTHER MANUFACTURERS
FOR THE YEARS 1901 AND 1911

Defendants' Exhibit (Filbert) No. 74,

June 16, 1913.

A printed form entitled "Subsidiary Companies of United States Steel Corporation. Comparative Detailed Statement of 'Cost Above' and 'Practice' at Blast Furnaces Producing Pig Iron—Arranged by Furnace Groups," was received in evidence, but is not to be printed.

Defendants' Exhibit (Filbert) No. 75,

June 16, 1913.

A printed form entitled "United States Steel Corporation; Production, Cost and Details of Cost Above—Bessemer Ingots," was received in evidence, but is not to be printed.

Defendants' Exhibit (Filbert) No. 76
June 16, 1913

PIPE MANUFACTURERS

NATIONAL TUBE	1899		1901		1912	
	Fces.	Estimated Capacity Gross Tons	Fces.	Estimated Capacity Gross Tons	Fces.	Estimated Capacity Gross Tons
Allison	3	12,400	3	12,400	-	- -
American	8	119,292	6	87,500	-	- -
Chester	2	31,000	2	31,000	-	- -
Cohoes	2	13,400	2	13,400	-	- -
Continental	4	56,500	4	56,500	3	80,000
Kewanee	3	45,342	4	78,500	-	- -
Morris-Tasker	6	90,000	6	90,000	-	- -
National	19	271,214	18	255,750	18	425,000
Oil City	4	68,900	4	68,900	-	- -
Pennsylvania	8	104,070	7	89,700	7	250,000
Pittsburgh Tube	4	56,458	-	- -	-	- -
Riverside	7	110,400	7	110,400	7	157,000
Syracuse	3	14,100	3	14,100	2	18,000
Warren	3	50,000	3	50,000	-	- -
Youngstown	2	27,000	2	27,000	-	- -
Lorain	-	- -	-	- -	11	410,000
Total	78	1,070,076	71	985,150	48	1,340,000

Pittsburgh Tube	4	56,458	-	- -	-	- -
Riverside	7	110,400	7	110,400	7	157,000
Syracuse	3	14,100	3	14,100	2	18,000
Warren	3	50,000	3	50,000	-	- -
Youngstown	2	27,000	2	27,000	-	- -
Lorain	-	- -	-	- -	11	410,000
Total	78	1,070,076	71	985,150	48	1,340,000
OTHERS						
Aermotor Co	-	- -	2	30,228	-	- -
Alabama T. & Iron	-	- -	1	15,114	-	- -
A. M. Byers Co	7	101,800	7	101,800	9	258,456
Carnegie Tube Co	-	- -	1	15,114	-	- -
Crane Co	2	30,228	2	30,228	-	- -
Harrisburg P. & P. B. Co	-	- -	1	15,114	1	29,785
West Jersey Tube Works	1	15,114	-	- -	-	- -
LaBelle Iron Works	-	- -	3	43,343	4	112,734
Longmead Iron Co	2	30,228	3	45,342	2	59,570
Mark Mfg. Co. Evanston, Ill	-	- -	2	30,228	2	59,570
Mark Mfg. Co. (formerly Eastern Tube Co.) Zanesville, O	-	- -	4	54,459	3	82,949
Monongahela Tube Co	1	13,115	2	26,230	2	53,164
Reading Iron Co	7	95,803	7	95,803	9	248,847
So. Chester Tube Co	-	- -	2	26,230	2	53,164
Spang-Chalfant Co	5	69,573	8	112,915	7	192,480
Tyler Tube & Pipe Co	4	52,460	4	52,460	6	159,492
Youngstown S. & T. Co	-	- -	3	43,343	10	285,038
Allegheny Steel Co	-	- -	-	- -	2	53,164
Central Tube Co	-	- -	-	- -	1	29,785
Cohoes Rolling Mill Co	-	- -	-	- -	1	29,785
Keystone Tube Co	-	- -	-	- -	1	29,785
Parkesburg Iron Co	-	- -	-	- -	1	29,785
Pittsburgh Tube Co	-	- -	-	- -	3	79,746
Republic Iron and Steel Co	-	- -	-	- -	1	29,785
Susquehanna I. & S. Co	-	- -	-	- -	4	112,734
Wheeling Steel & Iron Co	-	- -	-	- -	2	56,367
Worth Brothers	-	-	-	- -	5	142,519
Total	29	408,321	52	737,952	6	159,492
					83	2,318,411
TONNAGE	**SUMMARY**					
National Tube	78	1,070,076	71	985,150	48	1,340,000
All Others	29	408,321	52	737,952	83	2,318,411
Total	107	1,478,397	123	1,723,102	131	3,658,411
PERCENTAGES						
National Tube	73.0	72.4	57.7	57.2	36.6	36.6
All Others	27.0	27.6	42.3	42.8	63.4	63.4
	100.0	100.0	100.0	100.0	100.0	100.0

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DEFENDANTS' EXHIBIT
Fillert No. 77
DATE June 16 1913

PRODUCTION OF TENNESSEE COAL, IRON AND RAILROAD COMPANY IN THE YEAR 1907

SHOWING ITS PROPORTION OF THE COUNTRY'S TOTAL IN THAT YEAR.

Products	Total Production in United States In Year 1907	Production of Tenn. Coal & Iron in Year 1907	Tenn.C.&I.Co's. Proportion of Country's Total
Steel Making Pig Iron- - - - - - - - - - -	18,606,839	412,288	2.2
Foundry, Forge & Ferro-Silicon Iron - - - -	5,834,376	188,258	3.2
Spiegel and Ferro-Manganese- - - - - - - -	339,348	-	-
Mall. Bess., White & Mottled & Castings- -	1,000,798	2,281	.2
Total Pig Iron- - - - - - - - -	25,781,361	602,827	2.3
Open Hearth Steel Ingots - - - - - - - - -	11,549,736	243,444	2.1
All Kinds of Steel Ingots- - - - - - - - -	23.362,594	243,444	1.0
Finished Rolled Products (As reported by Am. I.&S.Ass'n.)			
Rails- - - - - - - - - - - - - - - - - -	3,633,654	149,368	4.1
Structural Shapes- - - - - - - - - - - -	1,940,352	2,474	.1
Plates and Sheets- - - - - - - - - - - -	4,248,832	16,682	.4
Merchant Bars- - - - - - - - - - - - - -	3,970,988	19,924	.5
All Other Rolled Products- - - - - - - -	6,070,996	-	-
Total Finished Rolled Products-	19,864,822	188.448	.94

DEFENDANTS' EXHIBIT
Filbert No. 79
DATE June 16 1913

Def. Ex 79 H

TOTAL PRODUCTION OF RAILS IN UNITED STATES

Years 1901 to 1912 Inclusive.

Year	Bessemer Rails		Open Hearth Rails		Iron and All Other Rails		Total Tons All Kinds Rails Produced
	Tons	Per Cent of Total	Tons	Per Cent of Total	Tons	Per Cent of Total	
1901 - - - - -	2,870,816	99.9	2,093	.07	1,730	.06	2,874,639
1902 - - - - -	2,935,392	99.6	6,029	.2	6,512	.2	2,947,933
1903 - - - - -	2,946,756	98.5	45,054	1.5	667	-	2,992,477
1904 - - - - -	2,137,957	93.6	145,883	6.4	871	-	2,284,711
1905 - - - - -	3,192,347	94.6	183,264	5.4	318	-	3,375,929
1906 - - - - -	3,791,459	95.3	186,413	4.7	15	-	3,977,887
1907 - - - - -	3,380,025	93.0	252,704	7.0	925	-	3,633,654
1908 - - - - -	1,349,153	70.2	571,791	29.8	71	-	1,921,015
1909 - - - - -	1,767,171	58.4	1,256,674	41.6	-	-	3,023,845
1910 - - - - -	1,884,442	51.8	1,751,359	48.2	230	-	3,636,031
1911 - - - - -	1,053,420	37.3	1,676,923	59.4	92,447	3.3	2,822,790
1912 - - - - -	1,099,926	33.0	2,105,144	63.3	122,845	3.7	3,327,915

Defendants' Exhibit (Reed) No. 80,

June 18, 1913.

Copy.

ANDREW CARNEGIE
5 West 51st St.

New York, February 26th, 1901.

Messrs. J. P. Morgan & Co.,
Wall & Broad Streets, New York City.

Dear Sirs:

Referring to my conference with Mr. J. P. Morgan, and to your request that the results of that conference shall be stated definitely, so as to afford a basis for your further proceeding in connection with your negotiations with the United States Steel Corporation, I have to state to you, as follows:—

First: I understand that the United States Steel Corporation, a corporation organized under the laws of New Jersey, is about to issue and deliver its preferred stock for an amount approximating four hundred and fifty million dollars, and its common stock for an amount approximating four hundred and fifty million dollars, and its five per cent. bonds for the aggregate principal sum of three hundred million dollars.

The stocks of the United States Steel Corporation are to be received by the syndicate represented by you, and a portion thereof is to be delivered in payment and exchange for stocks of the Companies hereinafter named, provided that in no instance shall there be received less than two-thirds of the total outstanding capital stock of either of said companies, which two-thirds in each instance shall include two-thirds of the outstanding preferred stock of such Company. The shares of the United States Steel Corporation to be issued in excess of the amounts deliverable for the aggregate amount of such shares of the Companies hereafter named, are to be retained by and belong to the Syndicate which is to pay to the United States Steel Corporation certain cash sums.

Second: That the other Companies whose stocks are to be received in exchange for the stock of the new company are as follows:—

The Carnegie Company, Federal Steel Company, National Steel Company, American Steel and Wire Company of New Jersey, National Tube Company, American Sheet Steel Company, American Steel Hoop Company and American Tin Plate Company.

Third: I will deliver to you, or, upon your order for delivery, to the United States Steel Corporation, Five Per Cent Bonds of the Carnegie Company of the par value of Eighty-six million one hundred and forty-five thousand dollars, and ninety-two thousand nine hundred and ninety-six shares of the Capital stock of that Company of the aggregate par value of Ninety-two million nine hundred and ninety-six thousand dollars, and in payment therefor will accept the Bonds for Two hundred and twenty-five million six hundred and thirty-nine thousand dollars (par value) of the United States Steel Corporation to be secured by a Mortgage or Pledge upon all its property now held or hereafter acquired (including Bonds of the Carnegie Company as acquired) in general form similar to the Mortgage or Pledge now securing the Collateral Trust Bonds of the Carnegie Company, and in form to be approved by my counsel, and providing for a sinking fund of One per cent. per annum and minus redemption clause. It is understood, of course, that the charge of the Collateral Trust Indenture upon property hereafter acquired by the Company will be upon property so acquired, subject to the terms of the acquisition thereof, and also that such charge shall be so arranged as not to embarrass or limit the Company in the use or disposition of property (other than stocks of the underlying companies and bonds of the Carnegie Company) not constituting an essential part and feature of the business of the Company; and, further, that proper provision shall be made for the releasing from the lien of indenture property which may cease to be valuable to the Company for the prosecution of its business or which may be for the benefit of the Company to exchange or alter for the business

advantage. It is also understood that the charge of the indenture shall not apply to the current assets or receipts of the Corporation.

Fourth: Knowing that upon the basis of this letter you are about to make a public offer, asking that the stock of the other Companies be deposited on or before April 1st, 1901, I will deposit, or cause to be deposited with your firm, for the purpose of the transaction and against your receipt therefor, to be approved by my counsel the stocks and bonds of the Carnegie Company above mentioned, it being understood that the Bonds of the United States Steel Corporation to be received by me will be ready for delivery on or before the first day of July, 1901.

I am to receive a sum equal to my proportionate share as a stockholder of the monthly profits of the Companies owned by the Carnegie Company until such time as the new bonds begin to bear interest, or the United States Steel Corporation, at its option, may pay interest on the new bonds from February 1st, 1901, in lieu of the interest on Carnegie Company bonds and profits on stock deposited by me.

The above proposition is conditional upon your taking from the other stockholders of the Carnegie Company, if they desire, their shares of stock at the same price per share as I am to receive, to be paid in preferred and common shares of the United States Steel Corporation, viz: for each shares of Carnegie Company stock fifteen shares of preferred and fifteen shares of common stock of the par value of one hundred dollars each, and that the remainder of the Bonds of the United States Steel Corporation shall be reserved and used to acquire bonds of the Carnegie Company.

Yours very truly,

(signed) ANDREW CARNEGIE.

Defendants' Exhibit (Reed) No. 81,

June 18, 1913.

Copy.

J. P. Morgan & Co.,
New York City.

New York, March 2nd, 1901.

Andrew Carnegie, Esq.,
5 West 51st Street, New York.

Dear Sir:

Referring to your letter of February 26th, 1901, we would say that upon the understanding (already confirmed by Judge Reed and Mr. Schwab) that our undertaking is based upon the completion of the transaction as stated in your letter or as approved by us jointly, and that (as arranged with you last evening over the telephone) the total bond issue may be $304,000,000., we beg to confirm the arrangement as proposed by you.

Very truly yours,
(Signed) J. P. Morgan & Co.

Defendants' Exhibit (Reed) No. 82,

June 18, 1913.

Defendants' Exhibit No. 82 will be found on page 348.

Defendants' Exhibit (Reed) No. 83,

June 18, 1913.

Defendants' Exhibit No. 83 will be found on page 351.

DEFENDANTS' EXHIBIT
Coudby No. 84
DATE June 18 1913

Sheet 1

RECAPITULATION OF LAKE VESSELS AVAILABLE

FOR ORE TRADE YEAR 1912.

	NO. OF VESSELS	GROSS TON CAPACITY.
Total controlled by U.S.Steel Corporation	100	682,600
" " " 16 other ore producing or consuming interests	80	605,500
" " " Independent Vessel Owners	250	1,581,600
Grand Total	430	2,869,700

DEFENDANTS' EXHIBIT
County 84
DATE June 18 1913

Sheet 3

LAKE ORE VESSELS CONTROLLED BY ORE PRODUCING OR CONSULING COMPANIES IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	CONTROLLED BY
Harvester	525	58	31	10000	International Harvester
Block	549	56	31	10000	Inland Steel Co.
Leopold	532	56	31	9700	Do.
			TOTAL FOR INLAND STEEL CO.		
			VESSELS	2	
			CAPACITY	19700	
Jones B F	530	56	31	9500	Jones & Laughlin Steel Co.
King Willis	580	58	32	11000	Do.
Laughlin	530	56	31	9500	Do.
Walters	580	58	32	11000	Do.
			TOTAL FOR JONES & LAUGHLIN STEEL CO.		
			VESSELS	4	
			CAPACITY	41000	
LaBelle	504	54	30	9000	LaBelle Iron Works
Scott I M	504	54	30	9000	Do.
			TOTAL FOR LA BELLE IRON WORKS		
			VESSELS	2	
			CAPACITY	18000	
Agassiz	532	56	31	9500	M A. Hanna & Company
Flagg	318	42	26'6"	4000	Do.
Fitch	346	48	28	5000	Do.
Shaw Q A	504	54	30	9000	Do.
Wood Jos	504	54	30	9000	Do.
Warner R S	318	42	26'6"	4000	Do.
BARGE					
Maitland	366	44	26	5200	Do.
Thompson	300	42	24	4300	Do.
Warriner	300	42	24	4300	Do.
			TOTAL FOR M A HANNA & COMPANY		
			VESSELS	9	
			CAPACITY	54300	
Adriatic	420	52	28	7000	Pickands, Mather & Co.
Calumet	420	52	28	7000	Do.
Crete	480	52	30	8000	Do.
Elba	420	52	28	7000	Do.
Hemlock	420	52	28	7000	Do.
Mather Samuel	530	60	31	10000	Do.
Mills D O	532	58	31	10000	Do.
Morse J C	532	58	31	10000	Do.
Odanah	420	52	28	7000	Do.
Pathfinder	320	42	25	4000	Do.
Stone A	525	55	31	9300	Do.
Verona	480	52	30	8000	Do.
Victory	452	48	28	7000	Do.

DEFENDANTS' EXHIBIT
Coulby NO. 84
DATE June 18 1913

Sheet 4

LAKE ORE VESSELS CONTROLLED BY ORE PRODUCING OR CONSUMING COMPANIES IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	CONTROLLED BY
Brown W L	430	50	28'6"	6500	Republic Iron & Steel Co
Elphicke M C	430	50	28'6"	6500	Do.
French T W	356	50	28	5500	"
TOTAL CAPACITY REPUBLIC IRON & STEEL CO					
VESSELS 3					
CAPACITY 18,500					
Agnew W C	532	58	31	10000	Rogers Brown & Co
Clement S M	480	52	30	8000	Do.
Corrigan Jas	530	56	31	9500	"
Kennedy Hugh	532	56	32	9500	"
Meacham	530	56	31	9500	"
Munro	530	56	31	9500	"
Rogers W A	525	55	31	9200	"
Weston	549	56	31	10000	"
TOTAL FOR ROGERS BROWN & CO					
VESSELS 8					
CAPACITY 75,200					
Hubbard C R	532	56	31	9500	Wheeling Steel & Iron Co
Niagara	266	42	20	2500	Wickwire Steel Company
Schoonmaker	590	64	33	12000	W P Snyder & Co
Shenango	585	58	32	11000	do.
Snyder W P	530	56	31	9500	"
Snyder W P Jr	590	64	33	12000	"
Wilpen	554	58	32	10500	"
TOTAL FOR W P SNYDER & COMPANY					
VESSELS 5					
CAPACITY 55,000					

DEFENDANIS EXHIDIT
Coulby NO. 84
DATE June 18 191
Sheet 5

LAKE ORE VESSELS CONTROLLED BY ORE PRODUCING OR CONSUMING COMPANIES IN THE YEAR 1912.

STEAMER	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	CONTROLLED BY
Crawford	585	60	32	11300	U.S. Steel Corppration
Filbert	585	60	32	11300	"
House	585	60	32	11300	"
Baker	580	58	32	11000	"
Buffington	580	58	32	11000	"
Cole	585	58	32	11000	"
Dickson	580	58	32	11000	"
Dinkey	580	58	32	11000	"
Lynch	580	58	32	11000	"
Morgan	580	58	32	11000	"
Morgan, Jr.	580	58	32	11000	"
Olcott	580	58	32	11000	"
Palmer	580	58	32	11000	"
Phipps	580	58	32	11000	"
Ream	580	58	32	11000	"
Rogers	580	58	32	11000	"
Schiller	580	58	32	11000	"
Widener	580	58	32	11000	"
Corey	549	56	31	10000	"
Frick	549	56	31	10000	"
Gary	549	56	31	10000	"
Perkins	549	56	31	10000	"
Edenborn	478	52	30	8000	"
Ellwood	478	2	30	8000	"
Gates	478	52	30	8000	"
Hill	478	52	30	8000	"
Poe	470	50	29	7200	"
Morse	456	50	29	7000	"
Houghton	456	50	29	6800	"
Cornell	454	50	28'6"	7100	"
Harvard	454	50	28'6"	7100	"
Princeton	454	50	28'6"	7100	"
Rensselaer	454	50	28'6"	7100	"
Malietoa	454	50	28'6"	7400	"
Bunsen	439'1'	50	29'6"	6900	"
Van Hise	431'1"	50	29'6"	7100	"
Murphy	428	51'6"	28	7000	"
Shaw	428	51'6"	28	7000	"
Mataafa	430	50	28'6"	7000	"
Maunaloa	430	50	28'6"	6600	"
Superior City	430	50	28'6"	6900	"
Black	414	50	28	6600	"
Mc Dougall	414	50	27	6700	"
Fairbairn	414	45'6"	28	5700	"
Fulton	414	45'6"	28	5800	"
Bessemer	412	48	28	6000	"
Siemens	412	48	28	6000	"
Coralia	412	48	28	5700	"
Stephenson	408	48	28	5900	"
Watt	406	48	28	6100	"
Crescent City	406	48	28	5800	"
Empire City	406	48	28	6000	"
Maricopa	406	48	28	6000	"
Ericsson	389'6"	48	27	5600	"
Linn	400	48	28	5800	"
Queen City	400	48	28	6100	"
Zenith City	380	48	28	5500	"

DEFENDANTS' EXHIBIT
Coulby No. 84
DATE June 18 19
Sheet 6

STEAMER	FT KEEL	FT. BEAM	FT. DEPTH	GROSS TONS CAPACITY AT 19' DRAFT.	CONTROLLED BY
Rads	400	42'10"	28	4900	U.S.Steel Corporation
Rockefeller	365'6"	45	26	4900	"
Cort	307'6"	42	25	3400	"
Neilson	307'6"	42	25	3400	"
Maritana	330	45	24'6"	3900	"
Mariposa	330	45	24'6"	3900	"
Gilbert	328	42'6"	24	3700	"
Briton	296'6"	40	24'6"	3200	"
German	296'6"	40	24'6"	3200	"
Roman	296'6"	40	24'6"	3000	"
Saxon	296'6"	40	24'6"	3000	"
Manola	292'6"	40	24'6"	3000	"
Mariska	292'6"	40	24'6"	3000	"
Matoa	292'6"	40	24'6"	3000	"
Colgate	308	38	24	3300	"
Mather	308	38	24	3400	"
Griffin	266	38	24	2600	"
La Salle	266	38	24	2600	"
Wawatam	266	38	24	2600	"
BARGES					
Smeaton	446	50	29'6"	7500	"
Fritz	436	50	28'6"	7500	"
Roebling	436	50	28'6"	7500	"
Manila	436	50	28'6"	7500	"
Marsala	436	50	28'6"	7500	"
Bryn Mawr	400	50	27	6900	"
Maia	376	48	26	6400	"
Maida	376	6	26	5900	"
Holley	367'6"	46	26	5500	"
Bell	366	44	26	5500	"
Nasmyth	366	44	26	5500	"
Jenney	366	44	26	5500	"
Thomas	366	44	26	5500	"
Carrington	352	44	26	5400	"
Corliss	352	44	26	5400	"
Krupp	352	44	26	5400	"
Manda	352	44	26	5400	"
Martha	352	44	26	5400	"
Magna	352	44	26	5400	"
137	352	45	23	5100	"
Marcia	302	40	25	4000	"
STEAMERS					
Kerr	448	52	28	7500	"
Reed	448	52	28	7500	"
Hoyt	404	50	27	6400	"

TOTAL FOR STEEL CORPORATION

VESSELS 100
CAPACITY 682,600 tons

DEFENDANTS' EXHIBIT
Coulby No. 84
DATE June 18 1913
Sheet

INDEPENDENT LAKE VESSELS AVAILABLE FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	Gross tons capacity at 19' draft.	OPERATED BY
Barlum John J	504	54	30	9000	John J. Barlum
Barlum Thomas	480	52	30	8000	"
Stewart A E	356	50	28	5400	"
TOTAL FOR JOHN J BARLUM					
VESSELS				3	
CAPACITY				22,400	
Donaldson	380	50	28	6000	Wm. H. Becker
England	356	50	28	5500	"
Grammar	434	48	28	6500	"
Ohl	420	54	28	7300	"
Pollock	420	52	28	7000	"
Rhodes J W	420	52	28	7000	"
Robbins F L	380	50	28	6000	"
Thompson Alexis	504	55	30	9000	"
Widlar	416	50	28	6500	"
TOTAL FOR WM. A BECKER					
VESSELS				9	
CAPACITY				60,800	
Boland	480	54	30	8500	Boland & Cornelius
Cornelius	420	52	28	7000	"
Davidson L R	504	56	30	9300	"
Eddy Selwyn	343	42	25	4000	"
Kensington	360	50	28	5500	"
Kopp	480	54	30	8500	"
Moll	444	56	28	8000	"
Wickwire T H	444	56	28	8000	"
Wickwire Jr	504	56	30	9000	"
Yates Harry	504	56	30	9000	"
TOTAL FOR BOLAND & CORNELIUS					
Vessels				10	
Capacity				76,800	
Bradley M A	460	52	30	7500	M. A. Bradley
Brown J J H	432	52	28	7000	Brown & Co.
Miller P P	354	48	28	5000	"
Tomlinson	504	54	30	9000	"
Truesdale	432	52	28	7000	"
TOTAL FOR BROWN & CO.					
VESSELS				4	
CAPACITY				28,000	
Bartow	504	54	30	9000	E D Carter
Carter E D	504	54	30	9000	"
Luzon	346	48	28	5200	"
Panay	356	50	28	5500	"

TOTAL FOR E D CARTER

DEFENDANTS EXHIBIT
Coulby No 84
DATE June 18 1913

INDEPENDENT LAKE VESSELS AVAILABLE
FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
Adams Thos	360	50	28	5500	John Craig
Craig G L	360	50	28	5500	"
Zimmerman	480	52	30	8000	"
TOTAL FOR JOHN CRAIG					
VESSELS				3	
CAPACITY				19,000	
Amazonas	295	44	21	3000	Davidson Steamship Co.
Orinoco	295	44	23	3200	"
Sacremento	308	43	22'6"	3200	"
Shenandoah	308	43	22'6"	3200	"
Venesuela	263	42'6"	23	2700	"
BARGES					
Chieftain	342	46	21'6"	4500	"
Grampian	218	38	13'2"	2000	"
Granada	247	40	21'6"	2800	"
Matanzas	324	45'6"	21'6"	4200	"
Montezuma	342	46	21'6"	4500	"
Paisley	211	35	16'6"	2000	"
TOTAL FOR DAVIDSON STEAMSHIP CO.					
Vessels				11	
Capacity				35,300	
Noble Benj.	239	42	18'8"	2800	J. A. Francombe
Garrettson Gen'l	520	54	31	9300	Gilchrist Trans. Co.
Gilchrist	356	50	28	5500	"
Gilchrist F W	416	50	28	6500	"
Gilchrist J C	416	50	28	6500	"
Hart F W	380	50	28	6000	"
Hecker	464	50	28	7500	"
Ireland	416	50	28	6500	"
Jupiter	346	48	28	5000	"
Lake Shore	356	50	28	5500	"
Mars	346	48	28	5000	"
Maytham Thos	286	41	24	3000	"
McIntosh	520	54	31	9300	"
Merida	360	45	26	4800	"
Neptune	346	48	28	5000	"
Oglebay	375	45	26	5000	"
Osborne F M	380	50	28	6000	"
Russell G H	464	50	28	7500	"
Saturn	346	48	28	5000	"
Saunder E N	380	50	28	6000	"
Schuck	416	50	28	6500	"
Sherwin John	514	54	31	9200	"
Sill	416	50	28	6500	"
Steel King	380	50	28	6000	"
Venus	346	48	28	5000	"
Vulcan	260	38	23	2800	"
Walker P G	416	50	28	6500	"
Watson C W	380	50	28	6000	"
Weeks J L	416	50	28	6500	"
Whitney D M	413	51'6"	28	6500	"

DEFENDANTS' EXHIBIT
Coulby No 84
DATE June 18 1913
Atty

INDEPENDENT LAKE VESSELS AVAILABLE
FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
					Continued
Wood J B	514	54	31	9200	Gilchrist Trans. Co.
Woodruff	416	50	28	6500	"
Barge Tyrone	301	41	24	4000	"
TOTAL FOR GILCHRIST TRANSPORTATION CO.					
VESSELS				32	
CAPACITY				196,100	
Owen John	281	41	21	3200	R. F. Gray
Brower	346	48	28	5000	Great Lakes Steamship Co
Brown W W	346	48	28	5000	"
Coulby	549	56	31	10000	"
Cowle J B	525	58	31	10000	"
Denmark	440	56	28	8000	"
Dunn John Jr	504	58	30	9500	"
Durston	432	52	28	7000	"
Hubbard Chas	438	52	28	7000	"
Leonard C B	380	50	28	6000	"
Nettleton	525	55	31	9500	"
Norway	504	58	30	9500	"
Nottingham	380	50	28	6000	"
Smith B L	380	50	28	6000	"
Smith H W	414	50	28	6500	"
Smith L C	414	50	28	6500	"
Smith Lyman	525	55	31	9500	"
Smith M C	380	50	28	6000	"
Smith W L	380	50	28	6000	"
Thompson Smith	438	52	28	7000	"
Warner C M	370	48	28	5300	"
Wilkinson H S	370	48	28	5300	"
TOTAL FOR GREAT LAKES STEAMSHIP CO					
Vessels				21	
Capacity				150,600	
Bransford	414	50	28	6500	W.A.& A.H.Hawgood
Curry S S	432	45	26	6000	"
Hawgood H B	414	50	28	6500	"
Holmes E F	420	50	28	6500	"
Jenks J M	414	50	28	6500	"
Smith H B	525	55	31	9500	"
Umbria	420	50	28	6500	"
Wisconsin	420	50	28	6500	"
TOTAL FOR W.A.& A.H. HAWGOOD					
VESSELS				8	
CAPACITY				54,500	

DEFENDANTS EXHIBIT
Coulby No. 84
DATE June 18 1913
Sheet 10

INDEPENDENT LAKE VESSELS AVAILABLE
FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
Augustus	504	54	30	9000	Hutchinson & Co
Butler J.G. Jr.	525	55	31	9500	"
Corsica	299	40	24'6"	3000	"
Hanna D. R.	532	56	32	9800	"
Hutchinson J. T.	346	48	28	5000	"
McGean	440	52	28	7000	"
Maruba	291	40	24'6"	3000	"
Mullen	416	50	28	6500	"
Nye	380	50	28	6000	"
Paine W. A.	480	52	30	8000	"
Peck E. M.	253	40	19	2300	"
Stanton	504	54	30	9000	"
Sullivan J. J.	532	56	31	9800	"
Walsh J. P.	480	52	30	8000	"
Barge Abyssinia	289	44'6"	19	3200	"
TOTAL FOR HUTCHINSON & CO.					
VESSELS 15					
CAPACITY 99,100					
Jenkins	504	54	30	9000	C. O Jenkins
Mack W. H.	354	48	28	5000	"
Shaughnessy	480	52	30	8000	"
Squire	410	50	28	6500	"
TOTAL FOR C. C. JENKINS					
VESSELS 4					
CAPACITY 28,500					
Foster Parks	262	38	23	3000	J. G. Keith & Co.
Ames Ward	532	56	31	10000	A. T. Kinney
Ashley J. S.	504	54	30	9000	"
Bope	532	56	30	10000	"
Caldera	504	54	30	9000	"
Wallace J. C.	532	56	31	10000	"
Wolvin	540	56	32	10000	"
TOTAL FOR A. T. KINNEY					
VESSELS 6					
CAPACITY 58,000					
Mack W. S.	346	48	28	5000	Lake Erie Trans. Co.
Champlain	444	56	30	8000	C. W. Bryson
Ontario	444	56	30	8000	"
St. Clair	444	56	30	8000	"
TOTAL FOR C. W. BRYSON					
VESSELS 3					
CAPACITY 24,000					

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INDEPENDENT LAKE VESSELS AVAILABLE FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
Mitchell Alfred	270	40	25'6"	2800	J D Langell
Livingstone	281	41	22	3000	Wm. Livingstone
Nyanza	280	41"	20	2800	McBrier Estate
Bixby	480	52	30	8000	M B & P H McMillan
Colonel	356	50	28	5500	"
Dimmick	414	50	28	6500	"
Senator	410	45'6"	28	5500	"
TOTAL FOR M. B. & P. H. MCMILLAN					
Vessels				4	
Capacity				25,500	
Uganda	291	41	21'6"	2800	Edward Mahl
Wainwright	420	52	29	7000	"
Total for Edward Mahl					
VESSELS				2	
CAPACITY				9,800	
Normania	420	52	28	7000	Ashtabula Steamship Co
Albright J J	416	50	28	6500	John Mitchell
Clarke E A S	416	50	28	6500	"
Cuddy	525	55	31	9400	"
Fryer	281	41'4"	20	2700	"
Gratwick	416	50	28	6500	"
Hanna E A	410	50	28	6500	"
Holden H. S	408	50	28	6500	"
Lagonda	375	46	28	5200	"
McWilliams	352	45	26	4800	"
Major	283	41	22	2800	"
Reis W E	416	50	28	6500	"
Scranton Walter	416	50	28	6500	"
Sellwood	525	55	31	9400	"
Taylor Moses	416	50	28	6500	"
White Pendennis	420	50	28	6500	"
TOTAL FOR JOHN MITCHELL					
VESSELS				15	
CAPACITY				92,800	
Moore J. W	246	41	25	2800	Moore Steamship Co.
Berry	480	52	30	8000	H K Oakes
Earling	525	55	31	9400	"
Stearn	525	55	31	9400	"
Utley	504	54	30	9000	"
Western Star	416	50	29	6500	"
TOTAL FOR H. K. OAKES					
VESSELS				5	
CAPACITY				42,300	

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Sheet 12

INDEPENDENT LAKE VESSELS AVAILABLE FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
Davock	420	52	28	6800	Vulcan Steamship Co.
Sharpless	241	41	18	2300	Reid Towing & Wrecking Co.
Spokane	310	38	24	3200	"
TOTAL FOR REID TOWING & WRECKING CO.					
VESSELS 2					
CAPACITY 5,500					
Rend	287	40	21	2800	W. P. Rend & Co.
Hanna H M Jr.	480	54	30	8500	W C Richardson & Co.
Miller L B	504	54	30	9000	"
Mitchell Samuel	293	40'6"	24'6"	3000	"
Norton D Z	480	52	30	8000	"
Parks Sheldon	532	56	31	9800	"
Roumania	273	39	22'6"	2500	"
Wade J H	266	38	23	2700	"
BARGES					
Chickamauga	322	45	21'6"	4000	"
Crete	288'6"	44'6"	19	3500	"
TOTAL FOR W. C. RICHARDSON & CO.					
VESSELS 9					
CAPACITY 51,000					
Morrow J S	420	52	28	7000	Masaba Steamship Co.
City of Bangor	445	44'6"	27'8"	6000	Howard L Shaw
Millinokett	504	52	30	8500	"
Penobscot	454	44'6"	27	6200	"
Pope E C	317	41	24	3500	"
TOTAL FOR HOWARD L SHAW					
VESSELS 4					
CAPACITY 24,200					
Andrews M	532	56	31	9800	Henry Steinbrenner
Minch Anna C	380	50	28	6000	"
Minch Phillip	480	52	30	8000	"
Nicholas	328	42	27	3800	"
Onoko	287	39	25	3000	"
Steinbrenner	420	50	28	6500	"
TOTAL FOR HENRY STEINBRENNER					
VESSELS 6					
CAPACITY 37,100					

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Sheet 12

INDEPENDENT LAKE VESSELS AVAILABLE FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
Davock	420	52	28	6800	Vulcan Steamship Co.
Sharpless	241	41	18	2300	Reid Towing & Wrecking Co.
Spokane	310	36	24	3200	"
TOTAL FOR REID TOWING & WRECKING CO.					
VESSELS 2					
CAPACITY 5,500					
Rend	287	40	21	2800	W. P. Rend & Co.
Hanna H M Jr.	480	54	30	8500	W C Richardson & Co.
Miller L B	504	54	30	9000	"
Mitchell Samuel	293	40'6"	24'6"	3000	"
Norton D Z	480	52	30	8000	"
Parks Sheldon	532	56	31	9800	"
Roumania	273	39	22'6"	2500	"
Wade J H	266	38	23	2700	"
BARGES					
Chickamauga	322	45	21'6"	4000	"
Crete	288'6"	44'6"	19	3500	"
TOTAL FOR W. C. RICHARDSON & CO.					
VESSELS 9					
CAPACITY 51,000					
Morrow J S	420	52	28	7000	Masaba Steamship Co.
City of Bangor	445	44'6"	27'8"	6000	Howard L Shaw
Millinokett	504	52	30	8500	"
Penobscot	454	44'6"	27	6200	"
Pope E C	317	41	24	3500	"
TOTAL FOR HOWARD L SHAW					
VESSELS 4					
CAPACITY 24,200					
Andrews M	532	56	31	9800	Henry Steinbrenner
Minch Anna C	380	50	28	6000	"
Minch Phillip	480	52	30	8000	"
Nicholas	328	42	27	3800	"
Onoko	287	39	25	3000	"
Steinbrenner	420	50	28	6500	"
TOTAL FOR HENRY STEINBRENNER					
VESSELS 6					
CAPACITY 37,100					

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Sheet 13

INDEPENDENT LAKE VESSELS AVAILABLE FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
Christopher	410	48	28	6000	D.Sullivan & Co.
Crerar	241	41	18	2400	"
Dalton H.G.	241	41	18	2400	"
Davidson, A D	241	41	18	2400	"
Dunham J.S.	420	52	28	6800	"
Fitzgerald W.E	420	52	28	6800	"
Howe G.C.	241	41	18	2400	"
Keefe J.S.	241	41	18	2400	"
Kotcher	420	52	28	6800	"
Lambert John	241	41	18	2400	"
Marshall A.M.	241	41	18	2400	"
Parent	241	41	18	2400	"
Wallace Rob't	241	41	18	2400	"
Wolf W.H.	504	54	30	9000	"
TOTAL FOR D. SULLIVAN & CO.					
			VESSELS	14	
			CAPACITY	57,000	
Ball Bros	480	52	30	8000	G.A.Tomlinson
Ball F.C.	530	56	31	9800	"
Berwind	532	58	31	10000	"
Congdon	532	56	31	9800	"
Davidson J.E.	504	54	30	8800	"
Goulder	525	55	31	9500	"
Hartwell	504	58	30	9000	"
Heffelfinger	430	50	28	7000	"
Hoover & Mason	504	54	30	8800	"
Livingstone Wm	532	58	31	10000	"
Peavey F.H.	430	50	28	7000	"
Peavey G.H.	430	50	28	7000	"
Sahara	474	52	29	8000	"
Saxona	416	50	28	6500	"
Sinaloa	416	50	28	6500	"
Sierra	438	52	28	7000	"
Socapa	504	54	30	9000	"
Sonoma	416	50	28	6500	"
Sonora	346	48	28	5000	"
Sultana	346	48	28	5000	"
Sylvania	504	54	30	8800	"
Wells F.B.	430	50	28	7000	"
Yosemite	356	50	28	5500	"
TOTAL FOR G. A. TOMLINSON					
			VESSELS	23	
			CAPACITY	179,500	
Maryland	316	42	24'6"	3600	Vance & Joys Co.
Manchester	281	41	23	3000	"
TOTAL FOR VANCE & JOYS CO.					
			VESSELS	2	
			CAPACITY	6600	

DEFENDANTS' EXHIBIT
Coulby NO. 84
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Sheet 14

INDEPENDENT LAKE VESSELS AVAILABLE
FOR THE ORE TRADE IN THE YEAR 1912

STEAMERS	FT KEEL	FT BEAM	FT DEPTH	GROSS TONS CAPACITY AT 19' DRAFT	OPERATED BY
Wallace E L	420	52	28	6800	Wallace & Cunningham
Beatty	204	40	16	1900	Wilson Transit Co.
Carnegie	400	48	28	6000	"
Hebard	504	54	30	8800	"
Oliver H W	444	50	28'6"	7000	"
Rees W D	396	45	28	5500	"
Upson J E	504	54	30	8800	"
Wilson, Capt Thos	416	50	28	6500	"
Yuma	320	42	23'6"	3800	"
			TOTAL FOR WILSON TRANSIT CO		
			VESSELS	8	
			CAPACITY	48,300	
America	274	41'6"	24	3000	R. A. Williams
Brazil	274	40	24	3000	"
Byers A M	504	54	30	8800	"
Reiss J P	504	54	30	8800	"
Reiss Peter	504	54	30	8800	"
Riddle J Q	532	56	31	9800	"
			TOTAL FOR R. A. WILLIAMS		
			VESSELS	6	
			CAPACITY	42,200	
City of Berlin	298	41	21	2800	Henry Wineman
Hutchinson C L	504	54	30	8800	"
Barge Aurora	290	41	21'6"	3100	"
			TOTAL FOR HENRY WINEMAN		
			VESSELS	3	
			CAPACITY	14,700	

DEFENDANTS' EXHIBIT
Coulby No. 86
DATE June 18 1913

Def Ex (86)

ORE LOADED PER YEAR BY UNITED STATES STEEL CORPORATION

AT THEIR OWN AND INDEPENDENT DOCKS.

YEAR	MASABA	IRON RANGE	GT. NORTHERN	C & N W	WIS. CEN.	D S S & A	C M & ST. P	TOTAL CORPORATION RAILROADS	TOTAL OUTSIDE RAILROADS	GRAND TOTAL
1904	4,313,294	3,636,908	765,607	2,265,096	278,988	616,457	278,995	7,952,202	4,205,143	12,157,345
1905	8,084,876	5,952,471	597,272	3,061,936	419,966	878,344	594,481	14,037,347	5,551,999	19,589,346
1906	10,042,245	6,103,070	568,685	2,730,407	261,118	661,692	725,080	16,145,315	4,946,982	21,092,297
1907	12,156,885	6,062,193	178,766	2,543,022	451,218	885,743	666,737	18,219,078	4,725,486	22,944,564
1908	7,790,582	4,244,314	15,672	1,816,320	200,280	310,894	226,561	12,034,896	2,569,727	14,604,623
1909	11,431,511	6,683,400	145,940	2,197,185	325,612	430,908	458,785	18,114,911	3,558,430	21,673,341
1910	11,197,717	5,298,603	2,078,051	2,372,879	177,988	548,226	356,682	16,496,320	5,533,826	22,030,146
1911	5,286,300	4,223,965	5,463,006	1,709,636	176,555	436,734	272,221	9,510,265	8,058,152	17,568,417
1912	7,438 941	6,225.013	7,047,657	2,435,062	346.787	350,165	245,207	13,663,954	10,424,878	24,088,832

Defendants' Exhibit No. 87,

June 19, 1913.

"BASIC PRINCIPLES,"

By T. J. Drummond.

Mr. Chairman, Judge Gary and Gentlemen:—

Our chairman, as far as I am concerned, put the time limit at ten minutes, and he did it by letter. I suppose that is because I am from Canada. As a rule, when I rise to speak, I am wholly unprepared, or at least I say so, and I speak without notes; but this time, so he cannot claim that I have spoken longer than ten minutes, I have put down on paper what I am going to say, and will therefore be able to prove that I have not exceeded the time limit.

I was at first uncertain as to what theme I would choose but I decided on "Basic Principles," because that leaves me free to say almost anything. As I look back over the past two years, what strikes me most is the change in commercial basic principles in the Iron and Steel Trade, wrought by our honored guest of to-night—Judge Gary. (Applause.) I do not speak as a Canadian now, because in matters of this kind we are all one; and there is nothing you may do that will not affect us. If you have the measles, we will have them also. Our interests are so much in common that I speak altogether as one of you. I think I have attended almost all the dinners given by Judge Gary, and have seen the good work from the start. The old basic principle was based on a distrust of one's competitors; on the feeling, that to succeed yourself you must crush out your rivals; and on the solid belief, that they were mean enough to feel the same toward you. As a result of these "principles" when a lull in trade came, or a financial panic, every man went out a-gunning and a-knifing for his competitors, each distrustful of the other, and cutting deeper into prices day by day, just because he was sure the other fellow was doing the same thing. As a result of this, an industrial panic ran like wildfire through the trade, and the industrial wreckage left in its wake was greater than that due to the original storm. The smaller

concerns went down to ruin, and the stronger, which worried through to harbor, required financial experts to heal or to hide their wounds. No one benefited by this—all suffered, manufacturer and consumer alike; but it was the law of distrust that was our old basic principle; and we stuck to it, and knew, or would know no other.

So in 1907, when the panicky times came, I did not fear so much what was happening in Wall Street and in financial circles as I feared the old basic distrust and what it would do to us. I was not looking at Wall Street, but back over my shoulder at what might be coming up behind when the old principle would begin to work and the steel people would go mad with the old fever. My feelings at that time can best be described by a story, which I hope you will not misunderstand, and which I will tell because it covers the case. A couple of hunting men were anxious to get a shot at some ducks that frequented a pond, whose shores were bare of cover. They tried many devices without success, but noticing that the cattle that browsed by the shore did not disturb the ducks, they finally secured a painted canvas stage cow, such as we all have seen, where one man bears on his head and shoulders the head and fore part of the animal, and the other the hind quarters, and thus disguised, made the attempt to reach the pond. All went well until they were just about in range, when the front fellow realized that his friend in the rear was evidently getting excited, so he called back: "Steady, Bill, you will frighten the ducks." And the answer came back quick and sharp from what was the danger spot: "To hell with the ducks, the bull is coming." That was my plight. I feared the bull of distrust. But just when everything seemed blackest, "When life was just one damn thing after another," Judge Gary gave a dinner, and we all came, sad but hungry, even thirsty, and the Judge, after we had eaten and were feeling better, put forward a new basic principle—"Trust and good faith in one another." The new basic principle can best be expressed in his own words: "I believe, what is good for my competitors is good for me." This was a new doctrine, especially from the great house of the trade, because in the old days the biggest fellows were ever the

most murderously inclined, and I can imagine an old timer, who had gone down to ruin in the old days, altering his Browning to cry out: "Oh, to be in business now that Gary's there!"

Around our table, notwithstanding our reverence for our teacher, still, perhaps, a little distrust ran, born of past and bitter experience, and some wondered what Judge Gary was after. I am reminded of the story of the two Jews, but if there are more Jews than Scotchmen here I can tell it on the Scotch, because one has to be careful of what one says in New York, especially when speaking to financial men. One Jew said to another: "Jacobs, will you have a cigar?" and tendered it, and Jacobs, taking it gingerly, said: "What's wrong mit it?" Well, that was perhaps the first feeling, but the frank good will and force of the man won all hearts in a moment, and the new basic principle swept all others aside, and trust and faith in one another leaped into life and grew stronger day by day. These were hard times to face, but always the voice of the leader rang strong and clear: "Steady boys, and play the game." And, by the Lord, you played and played it fair; and not only in the United States, but in Canada and abroad, men hold you higher in esteem today, and the new basic principle has come to stay. And now tonight after the times of stress we come together, not as of old, naked and d—n well ashamed of ourselves, but clothed and in our right minds, and we sing the praise of Gary instead of cursing one another.

The melancholy days have gone;
We're feeling light and airy,
We're not a-cussing any one,
But just a-blessing Gary.

We hear the call of increasing trade, and we are ready for it with good appetites, not as in the old days, when we were generally overladen with cheap priced indigestible orders. Mr. Hoyt's laughing hyena is no longer appropriate, for we know what we are laughing at, as we see the steady growth of confidence throughout the land, and looking back without a mean thing to feel sorry for, we welcome the good

trade winds that are beginning to blow stronger and stronger.

We have had hard times in the past, and we shall have them again, and hard work and many troubles, for 'tis the heritage of him who works in iron. But, thank God, 'tis a man's job anyway, so we face it manfully, and trusting each in himself and in one another, the future under the new basic principle is assured.

In closing, I would say that if I thought this was the last of what we have known as the Gary dinners, I would almost welcome another panic to see them revived, but this should not be; we should arrange to keep these gatherings and the good feeling they have engendered, alive by coming together from time to time. If we can not always have the Judge to dine, we can try it on our good toastmaster, but to keep the good work going, we should decide tonight.

Before sitting down, I want to thank Judge Gary for his princely hospitality, his unvarying courtesy and genial kindness, which have made many evenings happy for us; and for his truth and frank honesty, which have made possible the implanting in our hearts of the new basic principle. (Applause.)

Defendants' Exhibit (Reed) No. 82,

June 18, 1913.

"THE OLD ORDER GIVETH PLACE TO NEW"

By Willis L. King

Mr. Toastmaster:—

This great gathering of the Iron and Steel industry tonight impresses me deeply. That busy men should lay aside their responsibilities and travel long distances to show their friendship and affection for a man, in a purely social way, for a man who, in the nature of things, must be their most active and powerful competitor, is indeed remarkable, and I think without precedent. This friendship has been a matter of slow growth; for it seems that a man gives his confidence more grudgingly in business than in any other direction, and

the habit of generations cannot easily be put aside; but that it is real and abiding there can be no doubt, for it has survived the troubles and vicissitudes of the past two years, and the real test of friendship is in adversity. It has enlarged our horizon, and given us such a broad and clear view of duty and opportunity that we have been able, without the sacrifice of any fundamental principle, to change and avoid much that was undesirable and costly in the old time business methods.

It is true that the law of supply and demand still governs the output, and that we still have competition, but it is reasonable competition; for we have learned the folly of attempting to create a demand at the expense of profits; and, keeping in mind the value of our raw minerals in the ground, which cannot be replaced, we refuse to give away our birthright.

It is certain that we have much to be thankful for, and, first, because it is nearest to us, is this delightful gathering that marks the era of friendship and good fellowship which, during the past ten years, has gradually but surely taken possession of us, even against our will. We have gotten the habit of considering our neighbor, and of putting a value on his good opinion. It is a decent habit and a great asset. Again, we should be thankful that our lot has been cast in the twentieth century. It is called the Age of Steel, but may more truly be called the Golden Age of opportunity and endeavor. No era in the past can compare with it.

Since the beginning of the industry in Virginia in the Colonial days, its history has been an almost unbroken record of disappointment and disaster. Lack of capital and transportation, long credits and bad debts, were too much of a handicap for the early manufacturer. His average was three good years out of ten, and he endeavored to make up in three years what he had lost in seven. He had notes to pay, and knew of no way to pay them but to run his mill at any cost. Prices were either unreasonably high or low; there was no happy mean, nor, indeed, could there be. He was unable to decrease his cost in bad times, or increase his output in good times. A few of these men acquired a competence, the majority failed. In fact, in my recollection, of the twenty-five or

more mills in the Pittsburg district, not more than five or six managed to escape the sheriff, and some of them made his acquaintance several times. And so, happily for us, "the old order giveth place to new."

But we should be especially thankful that fate, or the good fairies, transferred our friend, the Judge, from the profession of law to the honorable business of steel making. It has been a good thing for us. I trust it has been for him. In making the change he has at least escaped that opprobrious letter "A," for that letter is now obsolete in the steel industry. Yes, it has been a good thing for us, for he brought with him a judicial mind, blended with a knowledge of men and commercial morality, and gave us good advice, which has made us a great deal of money. Certainly we think well of him.

We respect the Judge because he practices what he preaches, and takes the same advice that he gives to others, and we honor him for that fine sense of the fitness of things which makes him respect the law and those who administer it; but I think we like him best because he has shown that a man may be in business, a large business, and still be a gentleman. I believe I have seen his intention to make of all of us, living and speaking examples of this theory, to be seen and read of all men. This is a big undertaking. I hope he will succeed, nay, I believe he will.

Time and words fail me, my dear Judge, to properly express my appreciation of what you have done for the general welfare of the steel industry, and for the high standard you have set up. Your friendship during these years has been to me one of the bright and pleasant spots in this prosaic world of business, and I cannot believe but that it is the earnest of better things to come.

With due acknowledgment to that group of men who formed the United States Steel Corporation on such broad lines, and have managed it so wisely that the entire steel industry has taken on a value and stability heretofore unknown, and with special acknowledgment to you, my dear Judge, who have had so great a part in this matter, I beg to

offer, for your fellow manufacturers, their hearty good wishes for your welfare. May long life, happiness, and prosperity be your portion, and that great content which comes to a man who has done what he could for his fellows. (Applause.)

Defendants' Exhibit (Reed) No. 83,

June 18, 1913.

PRESENTATION ADDRESS

By Mr. Schwab

Gentlemen:—

Several times during the past week I have endeavored to write something that I might say to you on this occasion that would be appropriate, Judge Gary, and that would express the sentiment of your friends here assembled, but each time I tore it up as unsatisfactory, and I made up my mind that I would say to you exactly what I personally felt, feeling assured that in the saying of it I would express what was in the hearts and minds of every gentleman here.

I am thankful for this opportunity of saying one thing, Judge. You and I have been associated in business, or we were, for some years; we have had many differences, and I am glad of this opportunity to say publicly that with my bounding enthusiasm and optimism I was wrong in most instances—indeed, in all instances—and you were right. The broad principles that you brought into this business were new to all of us who had been trained in a somewhat different school. Their effect was marvellous, their success unquestioned. It was a renaissance and a newness of things in this business that were necessary and invigorating. Judge, we feel that your position in the steel industry is unique. I have been present at many gatherings where men have been honored for scientific attainments in steel. I have been present at gatherings where men have been honored by reason of their operative ability in the manufacture of steel; but, sir, this is the first time in the history of the industry when the great heads of all the big concerns in the United States and Canada

have gathered to do honor to a man who has introduced a new and successful principle in our great industry.

Judge Gary, you should be a very happy man to-night. Never within my knowledge has any man been honored by so many men of distinction in their business as greet you here to-night; and, we felt that we were not doing you the full feeling of our hearts by tendering to you this simple dinner, but that we should add something more, something that would be a permanent token of our regard and esteem for your individuality, your personality, and your friendship. Such being the case, the committee having this dinner in charge have selected this beautiful gold vase, simple in its design, modest in its inscription, but carrying within its solid gold encasement the sentiment, the hearty good wishes, the love, the esteem of all the gentlemen—your friends—here assembled. (Applause.)

(*At this point a magnificent gold vase, eighteen inches high, was displayed on the table in front of the guests of the evening.*)

We beg of you, Judge, that you will accept this gift, and believe me when I say, with all the sincerity I am capable of, that every word I have uttered to-night comes from the heart, and is the expressed sentiment of every one of the gentlemen at this board. My dear Judge, accept this token of our esteem and our friendship. (Prolonged applause.)

Defendants' Exhibit (Gary) No. 60.

June 3, 1913.

RESPONSE BY JUDGE GARY.

GENTLEMEN:—

This reception is a wonderful demonstration of personal friendly regard. In some respects it is without precedent. When it is remembered there are included in those present representatives of the producers of iron and steel aggregating annually 21,500,000 tons of the former, and 22,000,000 tons of

the latter, or 87 per cent. of the total iron and steel produced in the United States, and 38 per cent. of the total iron and steel produced in the world, the significance of the occasion is realized. It is no exaggeration to say that ability, skill, talent and success as applied to the industry mentioned, are represented in this assembly to as great an extent as ever before seen at a similar gathering. The honor which you have conferred upon me should satisfy the desire and excite the pride of any man, however ambitious. For many years, and particularly during the last two years, you have without exception and without interruption, shown in every possible way a true and abiding friendship. Notwithstanding my faults, my mistakes, my lack of understanding, you have proved patient, generous, loyal friends. I fear at times I have seemed stupid and unable to comprehend, or at least seemed to be indifferent to your exhibitions of confidence. My intentions have been to reciprocate your kindness. I am glad because of your acquaintance and friendship. My gratitude for this mark of respect is unbounded. The memory of this occasion will abide in my thoughts as one of the most delightful experiences of life. You have placed me under obligations which can never be cancelled. Indeed, I do not wish to cancel them. My difficulty will be in living up to a standard which will fully justify a continuance of the respect and confidence you now entertain.

And now, having expressed recognition of your generous and undeserved bestowal of honor, not unmingled with affection, and my sensibility of personal obligation, I cheerfully acknowledge that in bringing together such a splendid representation of talent as a tribute to an individual, the controlling motive is to make prominent and give emphasis to, a sentiment which has been constantly in our minds during the last two years, and is associated with a movement with which, by your indulgence, I have been more or less identified. It is the sentiment that actual friendship may continuously be applied to competitive business.

In the days gone by, never to return it is to be hoped, it was a common practice for competitors in business to act in accordance with the rule that "might makes right," and on

the basis that permanent success could be reached and enjoyed only by those having the greatest strength and power or the longest purse. As a result it frequently happened that the weaker or poorer were crushed and destroyed. A competitor was treated as a common enemy. Methods for his defeat and overthrow were used regardless of good morals or good policy. Possibly in some instances this redounded to the pecuniary advantage of a few, though even that is doubtful. Certainly it was not permanently beneficial to the general public; and, from the standpoint of good morals, was a shame and a disgrace. Although the conditions stated may never have existed in the iron and steel business, nor the methods referred to invoked by the managers of our line of industry, still it is safe to say there are those in this room who know by sad experience that the means employed by those in charge within the last twenty years were calculated to enforce the law of the survival of the fittest. Even within my knowledge of the business, which is brief in point of time as compared with that of others who are here this evening, it has seemed to me that business was being done by several at least of the manufacturers of iron and steel without regard to the rights and interests of all others. I do not, of course, assert that there was any breach of the law, or that force or violence was resorted to; but I mean that there was in some cases lack of confidence, a withholding of information, a piracy of business, an indiscriminate and reckless cutting of prices, a promise to recognize the rights of others made with no intention of fulfilling the promise, an overbearing, unfair, destructive competition which drove many out of business, kept many others on the ragged edge of existence and brought demoralization to the industry, and more or less unfavorably influenced business and financial conditions generally. If it is claimed this is an overstatement of facts, it is only necessary to carry the mind back to the time when pig iron sold for $8.50 per ton, billets for $12.50 per ton, and rails for $16.00 per ton; when the wages of common labor were two-thirds of the present prices or less, and strikes among the men were of frequent occurrence; when mills and furnaces were idle or dismantled, and when the banker dreaded

to see the iron or steel manufacturer enter the door of the bank.

In passing, it is proper to say that in the long run an unreasonable destructive competition, such as I have referred to, is prejudicial to the best interests of all concerned, including the manufacturer, his workmen, his customers and the general public. The reasons should be obvious, and will not be dwelt upon at this time. During the last ten years, methods and conditions have been changed for the better. As between the gentlemen who are in control of the iron and steel industry in America at the present time, there exists a most intimate relation. In your intercourse and communications you are open, frank and unreserved. In your treatment of each other you intend to be just and fair. You can witness the success and prosperity of your neighbors without the slightest feeling of envy or discomfort. You believe in competition, but not hostility; in rivalry, but not antagonism; in progress and success for all, but not the punishment or the destruction of any.

We do not advocate combinations or agreements in restraint of trade, nor action of any kind which is opposed to the laws or to the public welfare. We do not expect the survival in business of any, who, by reason of incompetence, dishonesty or other fault, is unable to cope with his competitors in an open market and a fair field. The public interest is opposed to any arrangement which will secure the pecuniary success of any individual not able to reach it in competition with others. What we advocate is fairness and friendship in business, cordial intercourse, confidence in each other, frankness in disclosure when information is properly requested. If it is claimed that the suggestions referred to are not practical, the answer is they have been carefully considered by the gentlemen who have tendered this reception and dinner and have been adopted. With you they are no longer theories. In many ways and on many occasions you have personally and individually given evidence of this fact. By your decision and your action you have reached and now occupy a high place in the estimation of the entire industrial world. The magnitude of the business in your charge gives

you a large influence in regard to the commercial and financial conditions of the country.

Only two years ago this country witnessed a sudden and severe financial cyclone. Doubt and distrust were in the minds of thousands. Not only were depositors of funds in the banks alarmed, but even banks themselves were more or less suspicious of one another. The disposition of managers of many banks seemed to be to retain the funds in their possession and to recover what they had on deposit in other banks. Currency became scarce, credit reduced, values depreciated, and business stagnated. The present was dark and the future gloomy. Never before in the memory of many who are present this evening was the financial outlook so desperately bad. Under those circumstances and on that occasion there stood up in our midst a financial giant who turned his face toward the storm, and with a keen perception which pierced the clouds and saw on the other side the sun of prosperity, and with a confidence in this country and her people, a comprehension of the basic conditions and our recuperative power, then decided to invite his friends to join him in providing financial assistance to the weak or afflicted banks, and to give aid and encouragement and words of hope and cheer to the communities at large. The result you know. The response was prompt and hearty. The necessary aid was quickly given. And when the public knew that this band of financiers under the leadership of this great man was in session almost literally day and night, having under most careful consideration every question which might affect the financial destiny of the country, confidence began to be restored and business slowly but surely began to return to its normal condition. I venture to suggest what you all know, that the disposition and conduct of Mr. Morgan during the trying circumstances I have mentioned were the result of his feeling of friendship for his acquaintances, his neighbors, his countrymen, and humanity in general. Those who are best acquainted with him know that however big he may be mentally, he is greater when estimated by the promptings of his heart.

And now in your behalf I dare insist you are entitled to much credit for your temper, your attitude and your conduct

at the time the panic of 1907 occurred and during the dark days which followed. You knew by long experience what was liable to happen in your lines of activity. You knew full well what would probably result to your business, to your customers, to your employees, and to financial conditions generally, if you should adopt the measures which had been pursued under the old regime. You realize that many of your customers who were carrying large stocks, purchased at prices which prevailed when existing conditions were buoyant and prospects hopeful, and who were more or less in debt at the banks, would be forced into liquidation and bankruptcy if prices should become demoralized; that immediately there would be the closing down of mills, the idleness of men, and the usual labor strikes and incidental poverty and misery. You knew that the bitter and destructive competition which must follow would force many of the manufacturers themselves into insolvency. And more than this, you could see that, as your industry was recognized more or less as a barometer of trade, if you failed to keep your industrial ship afloat and in good repair, other lines would be affected and that damage would result which could not be remedied for years to come.

And so by invitation you came together in the most friendly spirit, high minded, honest, frank and fair toward each other, and with a kind feeling for all who might be concerned in your action. You literally placed upon one table all evidences relating to your affairs, your methods, your interests, your conduct and your intentions. With no agreement or request on the part of any one for an agreement as to what you would do in the future, you were, nevertheless, perfectly willing to state on all occasions and under all circumstances what you were doing. You placed every one interested in possession of all the facts necessary for his protection. Never before in the history of the country did such a large body of men with responsibilities so great, come together and treat one another on a basis so generous, fair and high-toned.

Your attitude and conduct at that time no doubt had much to do in allaying the fever of excitement which existed, in maintaining the stability of business conditions, and in securing a return of prosperity. This is evidenced by the state-

ment of many of the leading bankers and financiers of this country. You have heard words of praise from many directions; and especially have many of your customers been grateful to you for the manner in which you protected them. Perhaps never before have business conditions in this country been better or prospects brighter than they are at the present time.

In the application of a feeling of friendship and fairness we must not be selfish nor limit the application to ourselves or the business in our charge. If it is a good doctrine for us, it is equally as good for others who are more or less affected by what we do. We should have it in mind in dealing with our employes, with our customers and with the public. We must never forget that our rights and interests are and should be subservient to the public welfare; that the rights and interests of the individual must always give way to those of the public. We must not take undue advantage of the fact that great prosperity and increased demand for our products enable us to advance prices. They should always be maintained at a point within reason and justice.

And in the consideration of these questions as applied to competitors in trade we should not confine ourselves to the business men of this country. We have been very fortunate in our relations with our foreign brethren. They have been friendly, considerate and fair. It is our desire to continue the most amicable relations with foreigners, for this will result in great benefit and profit to all. There are many foreign neutral countries whose people are purchasers of our commodities which can be reached by all of the manufacturers here and abroad, but in cost of transportation much greater to some than to others. Even without any agreement on the subject if we are in close, constant and friendly contact with our competitors abroad it is natural to distribute our products at the least expense and with the greatest benefit to all. The manufacturers of our products throughout the world are more or less dependent upon each other. As a rule, prosperity for one means prosperity for all; and adversity for one means adversity for all. The foreigners have in many ways and on many occasions exhibited a disposition to foster relations with

ourselves which are calculated to add materially to our progress and success. We should be willing and anxious to reciprocate in every possible way. It is well known that the heads of the governments across the seas are quite inclined to encourage and favor the manufacturers within their domains, and to encourage them in their efforts to continue pleasant relations with their competitors in other countries. This is especially true of King Edward, Emperor William and Emperor Joseph, and perhaps other great rulers. The success and prosperity of the foreign manufacturers are due largely to the intelligent, cordial and generous encouragement and approval of their monarchs who believe that the material growth and prosperity of the citizen is one of the essentials to progress and stability. We shall receive the same cordial support from the chief executive of this country if our attitude and conduct are such as to deserve it. To our great advantage we have learned much from the foreign manufacturers of iron and steel. Bitter, destructive war between nations or individuals is never justified except in defense of life or liberty or property, and then as a last resort. Nor is bitter, wrathful and destructive competition in business permissible unless it becomes necessary in self-defense. There are two reasons for these conclusions; first, because they are right, and that is sufficient; and secondly, because they are good policy, and therefore practicable and beneficial.

And so I conclude by saying the controlling thought in the minds of those who are responsible for this reception and dinner will continue and grow in estimation to the great benefit of the people of this country. You have taken an advanced position, and will not recede. Your influence for good will be appreciated. You are leaders in the industrial branches of human effort in this country. Where you lead others will follow. You occupy a high moral plane. Your voice in commercial and political circles will be potential. You have great responsibilities, but you will measure up to them. Your heads and your hearts are right. You will deserve and will secure the approval of all mankind.

Defendants' Exhibit No. 87-a

June 19, 1913.

October 15th, 1909.

Judge E. H. Gary:

Dear Sir:

We, who have had the honor of having you and some of your friends as our guests this evening wish to add a few words to those already spoken for us in appreciation of the fairness and of the friendly and helpful attitude you have shown toward us during the two trying years just past.

It is no small compensation for the anxieties and trials of that period to feel that perhaps largely owing to them, we have a closer, better acquaintance with yourself and with each other, and to know that through your efforts the Iron and Steel Manufacturers of this country stand on a higher, broader and fairer basis of business relationship.

There are few to whom it is given to accomplish such work; and none of whom the lines on the title page of this volume, written by Lord Tennyson of the great Duke of Wellington, can be more appropriately spoken, than of yourself.

May there always be someone with your wisdom and fair-mindedness to counsel us.

Sincerely,

YOUR FRIENDS.

J. G. BUTLER, JR.
President, Bessemer Pig Iron Association.

J. A. CAMPBELL
President, Youngstown Sheet & Tube Company.

E. A. S. CLARKE
President, Lackawanna Steel Company.

E. C. FELTON
President, Pennsylvania Steel Company.

WILLIS L. KING
Vice-President, Jones & Laughlin Steel Company.

C. M. SCHWAB
President, Bethlehem Steel Company.

POWELL STACKHOUSE
President, Cambria Steel Company.

JNO. A. TOPPING
Chairman, Republic Iron & Steel Company.
FRANK BILLINGS
President, Tod, Stambaugh & Company.
G. BARTOL
General Manager, Otis Steel Company.
HERBERT DUPUY
Chairman, Crucible Steel Company.
EDGAR S. COOK
President, Warwick Iron & Steel Company.
C. R. HUBBARD
President, Wheeling Steel & Iron Company.
JOS. H. HOADLEY
President, Alabama Consolidated Coal & Iron Co.
DAVID REEVES
President, Phoenix Iron Company.
CYRUS H. MCCORMICK
President, International Harvester Company.
VERYL PRESTON
President, Eastern Steel Company.
ALEXIS W. THOMPSON
President, Inland Steel Company.
H. S. CHAMBERLAIN
President, Roane Iron Company.
PRICE MCKINNEY
Corrigan, McKinney & Company.
MORRIS BACHMAN
President, Sharon Steel Hoop Company.
C. G. ROEBLING
President, John A. Roebling's Sons Company.
A. F. HUSTON
President, Lukens Iron & Steel Company.
AUSTIN HECKSCHER
President, R. Heckscher & Sons Company
O. N. HUTCHINSON
General Manager, Grand Crossing Tack Company.
I. A. KELLY
President, Ashland Steel Company.

F. C. SMINK
President, Reading Iron Company.
COMLY B. SHOEMAKER
President, Glasgow Iron Company.
JAMES LORD
President, American Iron & Steel Manufacturing Co.
J. H. PLUMMER
President, Dominion Iron & Steel Company.
W. G. MATHER
President, Cleveland Cliffs Iron Company.
W. P. SNYDER
President, Shenango Furnace Company.
WALLACE H. ROWE
President, Pittsburg Steel Company.
SAML. MATHER
Pickands, Mather & Company.
WILLIAM A. ROGERS
President, Buffalo & Susquehanna Iron Company.
F. S. WITHERBEE
President, Witherbee, Sherman & Company.
W. L. BROWN
President, Pickands, Brown & Company.
JAMES A. BURDEN
President, Burden Iron Company.
J. G. BATTELLE
President, Columbus Iron & Steel Company.
W. P. WORTH
Treasurer, Worth Brothers Company.
B. F. FACKENTHAL, JR.
President, Thomas Iron Company.
E. BAILEY
President, Central Iron & Steel Company.
T. I. CRANE
President, Northern Iron Company.
D. R. HANNA
M. A. Hanna Company.
T. J. DRUMMOND
Second Vice-President, Algoma Steel Company.

J. F. WELBORN
President, Colorado Fuel & Iron Company.
LEONARD PECKITT
President, Empire Steel & Iron Company.
ISAAC M. SCOTT
President, La Belle Iron Works.
J. C. MABEN
President, Sloss-Sheffield Steel & Iron Company.
E. W. OGLEBAY
Oglebay, Norton & Company.
HOWARD WOOD
President, Alan Wood Iron & Steel Co.
BENJAMIN NICOLL
B. Nicoll & Company.
THOS. K. NIEDRINGHAUS
President, National Enameling & Stamping Company.
J. M. BARR
President, Woodstock Iron & Steel Company.
O. P. LETCHWORTH
President, Pratt & Letchworth Company.

GUESTS

John W. Alexander
E. J. Buffington
T. W. Bray
Hon. Robert Bacon
George C. Boldt
W. C. Brown
George F. Baer
D. H. Burnham
Edward Bailey Cook
Daniel Coolidge
W. E. Corey
H. Coulby
George G. Crawford
W. B. Dickson
A. C. Dinkey
H. G. Dalton
James Deering
Charles Deering
Edward M. Hager
J. A. Hatfield
Severn P. Ker
Leonard C. Hanna
James H. Hoyt
Samuel Hale
Hon. M. T. Herrick
Archibald Johnson
B. F. Jones, Jr.
W. L. Jones
Charles Kirchoff
D. G. Kerr
William V. Kelley
Thomas Lynch
John A. Penton
Hon. Franklin D. Locke
L. F. Loree
Hon. J. G. A. Leishman

James Dempsey
R. H. Edmonds
Thomas A. Edison
J. A. Farrell
W. J. Filbert
Edward C. Freeman
John Fritz
W. W. Finley
J. R. Jones
T. W. Guthrie
E. W. Grace
James Gayley
E. B. Clark
C. G. McMurtry
Charles MacVeagh
C. H. McCullough, Jr.
F. B. Richards
James P. Roe
Robert Mather
James McCrea
Frank A. Munsey
Oscar C. Murray
C. S. Mellen
W. J. Olcott
W. P. Palmer
K. K. Knapp

August Heckscher
Edward Shearson

E. W. Pardny
Charles S. Price
John Reis
Charles A. Rathbone
C. S. Robinson
J. V. W. Reynders
Karl G. Roebling
Ford W. Roebling
W. B. Schiller
Frank Tenney
Francis Lynde Stetson
James N. Swank
Richard Trimble
Moses Taylor
E. B. Thomas
W. H. Truesdale
F. D. Underwood
W. R. Walker
F. W. Wood
W. L. Ward
A. F. Banks
Maj. Gen. Leonard Wood
W. H. Whiteside
A. J. Singer
August Zeissing
Charles H. Zehnder
William Edenborn
Henry C. Frick
William H. Moore
Norman B. Ream
James H. Reed
Charles Steele
P. A. B. Widener
Robert Winsor
Edmund C. Converse
Alfred Clifford
J. Pierpont Morgan
Thomas Morrison
George W. Perkins
J. Pierpont Morgan, Jr.
George F. Baker
John F. Dryden
Clement A. Griscom
Marvin Hughitt
John D. Rockefeller, Jr.
Nathaniel Thayer
Henry Phipps
Daniel G. Reid

H. H. Stambaugh

Defendants' Exhibit (Lynch) No. 88.

Defendants' Exhibit No. 88, which is a map of the Connellsville district, is in course of reproduction and will be inserted at the end of the next Volume of Defendants' Exhibits.

Defendants' Exhibit (Davis) No. 89,

June 20, 1913.

Partial List of Fabricating Plants in Existence in May 1900 that were not taken into the American Bridge Company.

Name	*Address*	*Capacity in Net Tons (A.L.D.)*	*(Swank) (1898)*	*Page*
Megquier & Jones	Portland, Me.	2,500		
Fletcher & Crowell	" "	1,000		
Boston Bridge Works	Cambridge, Mass.		11,200	278
New England Structural Co.	E. Everett, Mass.		7,840	278
Boston Steel & Iron Co.	Medford, Mass.	4,000		
G. W. & F. Smith Iron Works	Boston, Mass.	3,600		
Eastern Bolt & Nut Co.	Lowell, Mass.	1,800		
Chelmsford Foundry Co.	Boston, Mass.	2,000		
James H. Tower	Providence, R. I.	600		
Eastern Bridge & Struct. Co.	Worcester, Mass.	6,000		
R. F. Hawkins Iron Works	Springfield, "		4,480	278
Springfield Construction Co.	" "		3,360	278
Walsh Boiler Works	Holyoke, Mass	600		
Vermont Construction Co.	St. Albans, Vt.		2,240	278
Yale Safe & Iron Co.	W. Haven, Conn.	600		
Milliken Brothers	Brooklyn, N. Y.	18,000		
Jackson Archt. Iron Works	New York	12,000		
Hay Foundry & Iron Works	Newark, N. J.	6,000		
Cooper & Weigand	New York	1,000		
Rapp & Speidel	" "	3,600		
Hinkel Iron Works	" "	1,000		
Hedden Iron Co.	Elizabeth, N. J.	1,000		
J. B. & J. M. Cornell	New York & Cold Springs	15,000		
Snead Iron Works	} Jersey City, N. J. { } Louisville, Ky. {	5,000		
Levering & Garrigues	New York	500		
Owego Bridge Co.	Owego, N. Y.		8,960	279
Lane Bridge Co.	Painted Post, N. Y.	1,000		
Havana Bridge Co.	Montour Falls, N. Y.		3,600	279
Passaic Rolling Mills Co.	Passaic, N. J.		26,880	279
McClintic-Marshall Constr. Co.	Pottstown, Pa.	18,000		
} Phoenix Bridge Co. { " Iron Co.	Phoenixville, Pa.		56,000	280
Belmont Iron Works	Philadelphia, Pa.	2,500		
Schuylkill Bridge Co.	Pottsville, Pa.		840	280

Name	Address	Capacity in Net Tons (A.L.D.)	(Swank) (1898) Page	
Pennsylvania Steel Co.	Steelton, Pa.		30,800	280
Cambria Steel Co.	Johnstown, Pa.	12,000		
Penn Bridge Co.	Beaver Falls, Pa.		5,600	280
Ft. Pitt Bridge Works	S. Cannonsburg, Pa.		13,440	279
Wm. B. Scaife & Sons	Pittsburg, Pa.	6,000		
Riter-Conley Manfg. Co.	" "	20,000		
Jones & Laughlin	" "		26,880	115
(Baltimore Bridge Works) The Structural Iron Co.	Baltimore, Md.		5,600	281
Virginia Bridge & Iron Co.	Roanoke, Va.		4,480	281
Bartlett & Hayward	Baltimore, Md.	3,000		
Riverside Bridge Co.	Wheeling, W. Va.	2,500		
King Bridge Co.	Cleveland, O.		22,400	282
Variety Iron Works	" "		8,400	282
Van Dorn Iron Works Co.	" "	3,000		
Massillon Bridge Co.	Massillon, O.		8,960	282
Canton Bridge Co.	Canton, O.		3,920	282
Bellefontaine Bridge Co.	Bellefontaine, O.		5,600	281
Iron Substructure Co.	Columbus, O.		5,600	282
Brackett Bridge Co.	Glendale, O.		11,200	281
Champion Bridge Co.	Wilmington, O.		3,360	282
Oregonia Bridge Co.	Oregonia, O.		2,240	282
Brown-Ketchum	Indianapolis, Ind.	18,000		
Indiana Bridge Co.	Muncie, Ind.		11,200	282
Chicago Bridge & Iron Co.	Chicago, Ill.		11,200	283
Kenwood Bridge Co.	" "		7,280	283
Joliet Bridge Co.	Joliet, Ill		5,600	283
Louisville Bridge & Iron Co.	Louisville, Ky.		8,400	281
Des Moines Bridge Co.	Des Moines, Ia.	3,000		
Clinton Iron Works	Clinton, Ia.		6,160	284
Judson Manufacturing Co.	Emery, Cal.		6,720	284
Patrick Noble	San Francisco, Cal.	3,000		
Thomas Dimond	New York	2,000		
Russell Wheel & Foundry Co.	Detroit, Mich.	1,000		
	Total	180,800		

			Swank (1898) Page	(1903) Page
The Allentown Rolling Mills	Allentown, Pa.	3,360	279	14
Dauphin Bridge & Construction Co.	Dauphin, Pa.	6,720	279	15
Keystone Structural Co.	Royersford, Pa.	6,720	279	15
Southern Bridge Co.	Birmingham, Ala.	1,120	281	17
Converse Bridge Co.	Chattanooga, Tenn.	1,120	281	17
Indianapolis Bridge & Iron Co.	Indianapolis, Ind.	6,720	283	19
Wisconsin Bridge & Iron Co.	Milwaukee, Wis.	11,200	283	20
Fair-Williams Bridge & Manfg. Co.	Ottumwa, Ia.	2,240	284	21
Stupp Bros. Bridge & Iron Co.	St. Louis, Mo.	4,480	284	21
Missouri Valley Bridge & Iron Co.	Leavenworth, Kas.	13,440	284	21
	Total	399,560		
	Grand Total	580,360		

Defendants' Exhibit (Davis) No. 93,

June 23, 1913.

Annual Capacity in Net Tons in 1900 of the Companies which were combined in May, 1900, to form the American Bridge Company.

Name of Company	Capacity
The Berlin Iron Bridge Company	12,000
Post & McCord	25,000
Hilton Bridge Construction Company	4,800
Rochester Bridge & Iron Works	8,000
Buffalo Bridge & Iron Works	7,000
Horseheads Bridge Company	1,000
Elmira Bridge Company, Ltd.	24,000
Groton Bridge & Manufacturing Company	4,500
Union Bridge Company	17,500
New Jersey Steel & Iron Company	24,500
A. & P. Roberts Co.—Bridge & Construction Dept.	65,000
Edge Moor Bridge Works	25,000
Schultz Bridge & Iron Company	7,000
Pittsburg Bridge Company	12,000
Shiffler Bridge Company	37,000
Keystone Bridge Plant	44,000
Wrought Iron Bridge Company	9,000
New Columbus Bridge Company	4,500
Youngstown Bridge Company	11,000
Lafayette Bridge Company	3,500
The Detroit Bridge & Iron Works	16,000
American Bridge Works—Bridge Dept.	20,000
Lassig Bridge & Iron Works	44,000
J. G. Wagner Company	12,000
Gillette Herzog Manufacturing Company	12,000
Koken Iron Works	10,000
	460,300

Defendants' Exhibit (Davis) No. 91,

June 23, 1913.

List of some Products other than Bridges and Buildings Manufactured by the American Bridge Company, and also made by certain of its competitors.

BARGES:

Des Moines Bridge & Iron Co.
Jones & Laughlin.

TANKS:

Des Moines Bridge & Iron Co.
Wm. B. Pollock & Co.
Riter-Conley Manufacturing Co.
Wm. B. Scaife & Sons.
Variety Iron Works.
Chicago Bridge & Iron Co.
Chicago Steel Products Co.
William Graver.
Kenwood Bridge Co.
Milwaukee Bridge Co.
Minneapolis Steel & Machinery Co.
Modern Structural Steel Co.
St. Paul Foundry Co.
Wisconsin Bridge Co.
Worden-Allen Co.
Llewellyn Iron Works.
Baker Iron Works.
Dover Boiler Works.
Tippett & Wood.
Struthers-Wells Co.

BUCKLE PLATES:

Independent Bridge Co.
King Bridge Co.

EYE BARS:
King Bridge Co.
Phœnix Bridge Co.

RIVETED PIPE:
Wm. B. Pollock & Co.
Riter-Conley Manufacturing Co.
Dover Boiler Works.
East Jersey Pipe Co.
Struthers-Wells Co.
Abendroth & Root.

TRANSMISSION TOWERS:
Milliken Brothers.
Archbold Brady.
Blaw Steel Construction Co.
Riter-Conley Manufacturing Co.
Aermotor Company.

TURNTABLES:
Boston Bridge Works.
Phœnix Bridge Co.
King Bridge Co.
Chicago Bridge & Iron Co.
Milwaukee Bridge Co.
Pennsylvania Steel Co.
Louisville Bridge & Iron Co.
McClintic-Marshall Constr. Co.

Defendants' Exhibit (Davis) No. 92,

June 23, 1913.

SALES IN TONS PER ANNUM.

Year	Total Sales	Harriman Orders	Per Cent. of Harriman Orders
1905	638,100	21,400	3.35
1906	546,700	26,000	4.75
1907	448,100	22,000	4.91
1908	248,100	12,300	4.96
1909	616,300	19,800	3.21
1910	396,500	25,200	6.35
1911	697,000	25,200	3.61
1912	663,800	17,000	2.56
Total	4,254,600	168,900	
Average	531,800	21,100	3.97

New York, June 16, 1913.

Defendants' Exhibit (Hagar) No. 93,

June 24, 1913.

NUMBER OF TONS OF SLAG USED YEARLY

IN

UNIVERSAL PORTLAND CEMENT

YEAR	GROSS TONS OF SLAG
1900	5,189
1901	16,416
1902	30,580
1903	44,872
1904	47,922
1905	180,402
1906	183,546
1907	234,641
1908	456,225
1909	571,594
1910	679,978
1911	730,320
1912	923,521
TOTAL	4,105,206

Defendants' Exhibit (Hagar) No. 94,

June 24, 1913.

Year	Production of Portland Cement of U. S. Barrels.	Production of Universal Portland Cement Barrels.	Percentage of Universal to Total U. S. Prod.
1900	8,482,020	32,443	.39%
1901	12,711,225	164,316	1.29%
1902	17,230,644	318,710	1.85%
1903	22,342,973	462,930	2.08%
1904	26,505,881	473,294	1.78%
1905	35,264,812	1,735,343	4.92%
1906	46,463,424	2,076,000	4.55%
1907	48,785,390	2,129,000	4.36%
1908	51,072,612	4,535,000	8.89%
1909	64,991,431	5,786,000	8.92%
1910	76,549,951	7,001,500	9.14%
1911	78,528,637	7,737,500	9.85%
1912	81,941,998	10,114,500	12.34%

Defendants' Exhibit (Hagar) No. 95,

June 24, 1913.

UNIVERSAL PORTLAND CEMENT CO.

Shipments Each Year		Net Prices on Shipments Each Year
1900	8,121 barrels	$1.705 per barrel
1901	142,265¾ "	1.194 " "
1902	306,499¾ "	1.330 " "
1903	472,157¼ "	1.679 " "
1904	477,127½ "	1.197 " "
1905	1,603,172½ "	1.083 " "
1906	2,045,985¼ "	1.390 " "
1907	2,138,280¾ "	1.425 " "
1908	4,138,758¼ "	.966 " "
1909	5,690,891¾ "	.829 " "
1910	6,679,407½ "	.875 " "
1911	7,691,123½ "	.783 " "
1912	10,047,498¾ "	.731 " "

DEFENDANTS' EXHIBIT (CRAWFORD) NO. 97.

(June 26, 1913)

TENNESSEE COAL IRON & RAILROAD COMPANY

ACCOUNTING DEPARTMENT

Recapitulation of Expenditures on Appropriations to
April 30th 1913.
and after May, 1905.

	Construction	Improvements	Miscellaneous	T o t a l
EXPENDITURES PRIOR TO NOVEMBER 1ST 1907:				
Ore Mines	497,337.39			497,337.39
Quarries	109,182.33			109,182.33
Coal Mines	298,013.60			298,013.60
Furnaces			7,957.59	7,957.59
Ensley	4,319,434.17			4,319,434.17
Bessemer Works	246.74			246.74
Miscellaneous			2,985.00	2,985.00
Birmingham Southern R.R.Co. .	177,375.33			177,375.33
TOTAL	[illegible]		[illegible]	[illegible]

NOVEMBER 1ST 1907:				
Ore Mines	497,337.39			497,337.39
Quarries	109,182.33			109,182.33
Coal Mines	298,013.60			298,013.60
Furnaces			7,957.59	7,957.59
Ensley	4,319,434.17			4,319,434.17
Bessemer Works	246.74			246.74
Miscellaneous			2,985.00	2,985.00
Birmingham Southern R.R.Co. .	177,375.33			177,375.33
TOTAL	5,401,589.56		10,942.59	5,412,532.15
EXPENDITURES SINCE NOVEMBER 1ST 1907:				
Ore Mines	977,305.74	113,943.47	166,482.87	1,257,732.08
Quarries	49,238.28			49,238.28
Coal Mines	1,652,558.12	517,895.04	91,618.34	2,262,071.50
Bee Hive Ovens				
By-Product Ovens	3,495,428.39			3,495,428.39
Furnaces	25,244.96	119,207.95	226,420.61	370,873.52
Ensley Works	7,267,680.90	1,134,718.27	342,066.78	8,744,465.95
Bessemer Works	102,124.12	112,908.83	16,984.64	232,017.59
Central Water Works	1,482,268.71			1,482,268.71
Birmingham Southern R.R.Co. .	1,728,340.70		91,622.88	1,819,963.58
TOTAL	16,780,189.92	1,998,673.56	935,196.12	19,714,059.60
TOTAL	22,181,779.48	1,998,673.56	946,138.71	25,126,591.75
Land Purchases, and Sundry Appropriations . .				2,123,807.48
TOTAL				27,250,399.23
TOTAL EXPENDITURES FROM WHICH NEW MANAGEMENT DERIVED BENEFIT:				
Ore Mines	1,474,643.13	113,943.47	166,482.87	1,755,069.47
Quarries	158,420.61			158,420.61
Coal Mines	1,950,571.72	517,895.04	91,618.34	2,560,085.10
By-Product Ovens	3,495,428.39			3,495,428.29
Furnaces	25,244.96	119,207.95	234,378.20	378,831.11
Ensley	11,587,115.07	1,134,718.27	342,066.78	13,063,900.12
Bessemer Works	102,370.86	112,908.83	16,984.64	232,264.33
Central Water Works	1,482,268.71			1,482,268.71
Birmingham Sou. R.R.Co. . .	1,905,716.03		91,622.88	1,997,338.91
TOTAL	22,181,779.48	1,998,673.56	943,153.71	25,123,606.75
Land Purchases and Sundry App'ns				2,126,792.48
TOTAL				27,250,399.23

Defendants' Exhibit (Garfield) No. 98,

June 26, 1913.

MEMORANDUM

of

INFORMATION WANTED FROM UNITED STATES STEEL CORPORATION.

WHB.JBP.

MEMORANDUM OF INFORMATION WANTED FROM UNITED STATES STEEL CORPORATION.

1. Please furnish statement of Profit and Loss account for the period from the formation of the Corporation on April 1, 1901, to December 31, 1901, showing receipts, expenditures and income, which leaves the surplus arising from operations $18,620,940.30, as stated on page 6 of Report for 1902.

(Red ink notation) "Send 5/16/06 "

(Pencil notation) "O. K. F."

2. Furnish also condensed general balance sheet for December 31, 1901 in form similar to that for December 31, 1902.

(Red ink notation) "Send 5/16/06."

(Pencil notation) "O. K. F."

3. State for each year what part of the gross sales and earnings (reported for 1902 as $560,510,479.39, for 1903 as $536,572,871.38 and for 1904 as $444,405,430.56) is made up of sales to or services rendered by one subsidiary company to another, and what part of sales or services to buyers outside the corporation.

(Pencil notation) "O. K. F."

4. State also for each year what part of the gross manufacturing and producing cost (reported for 1902 as $411,408,-818.36, for 1903 as $409,268,599.41 and for 1904 as $353,627,-315.31) is made up of purchases from or services rendered to one subsidiary company by another, and what part of materials or services from others outside the corporation.

(Pencil notation) "O. K. F."

5. What, in each case, was the basis for determining the price or rate to be charged by one subsidiary company to another in such transactions?

(Red ink notation) "Sent 5/23/06."

(Pencil notation) "O. K. F."

6. Furnish for each year a statement showing for each of the subsidiary companies the amount of its sales, including those to subsidiary companies, which goes to make up the total for the year as given in item No. 3 above, and the amount of its manufacturing and producing cost which goes to make up the total for the year as given in item No. 4 above, with the difference between such sales and cost which is included in the items $149,101,661.03 on page 25 of the Report for 1902, $127,304,271.97 on page 25 of that for 1903 and $90,778,115.25 on page 26 of the Report for 1904.

(Pencil notation) "O. K. F."

7. Submit your annual cost sheets for each of the three years 1902, 1903 and 1904, for each subsidiary company, except transportation companies, showing for each year for *each* plant in said subsidiary company:

a—Total amount produced, with amount of each principal product making up this total if there be more than one;

b—Total cost, and cost per ton of products, with details giving for each principal product,

(1) total cost, and cost per ton of products, of labor, separated into general, operating and repair labor, *or such similar divisions* as you use;

(2) quantity of each kind of material used, price, total cost and cost per ton of product;

(3) total cost and cost per ton of product of each other item of expense going to make up the total cost of each of said principal products;

c—Total quantity of each of said products sold by or credited to each plant of said subsidiary company during the year, with amount received therefor, either from other subsidiary companies or other buyers.

If the products of any subsidiary company are not measured by tons, give product, cost in detail and amount received for product sold in such units as you used in your cost sheets.

This will involve inventory of raw materials, products and supplies on hand at beginning and end of each of the three years, showing quantity, price and amount of each item.

The object of this inquiry is to determine in detail the actual cost of products and results of operations at each plant for each year as shown by your records according to the system you used.

If your cost sheets do not show whether hot metal direct from the furnace or cold metal was used the fact should be stated for each steel plant for each year.

8. Submit annual report of each subsidiary transportation company for each of the three years showing in detail the tonnage of each kind of frt. and mileage of ~~each kind of~~ all freight carried, ~~with amount received for each~~; cost of maintenance and operation; gross earnings from passengers and from freight, ~~by classes~~; net earnings; fixed charges, dividends and surplus for the year, after the usual manner of transportation companies, according to your books.

This should show what part of the iron ore hauled on each road was hauled for the steel Corporation, and what part for others.

(Pencil notation) "O. K."

9. If the information asked for in item No. 7 has been assembled in such a way as to show, for any or all of the three years, the total quantity of each of the principal products produced by the Corporation as a whole, the cost thereof, the amount received for quantity sold and profit thereon, or any of these items, the Bureau will be glad to have it, but does not wish to ask for these figures if the Corporation has not already compiled them.

10. Give amount paid for transporting ore to Lake Superior or to Lake Michigan showing for each of the three years total tons hauled by and total freight paid to Steel Corpora-

tion railroads and total tons hauled by and total freight paid to other roads, on ore from

a—Vermillion range,
b—Mesaba "
c—Marquette "
d—Gogebic "
e—Menominee "
(Pencil notation) "O. K. F."
(Red ink notation) "Sent 7/30."

11. Give amount paid for transporting ore in boats, showing for each of the three years total tons carried and amount paid for transporting all ore for the Corporation.

	By Corporation boats.	By other boats.	By all boats.
(1) To Lower Lake Erie ports			
a—From Duluth & Two Harbors,			
b—From Ashland,			
c— " Marquette,			
d— " Escanaba,			
(Red ink notation) "Sent 7/30"			
(Pencil notation) "O. K. F."			
(2) To Chicago & Milwaukee.			
a—From Duluth & Two Harbors,			
b—From Ashland,			
c— " Marquette,			
d— " Escanaba,			
(Pencil notation) "O. K. F."			

12. Give cost and profit sheet showing for each of the three years the number of trips made, the average number of tons carried per trip, the average rate per ton received and average cost per ton of carrying ore to Lower Lake port fom head of lake, from Marquette and from Escanaba

each, for three typical boats owned by the Corporation, including one of large, one of average and one of small capacity.
(Pencil notation) "See Colby and W. M. S."

13. Give total tons of ore hauled and amount of freight paid for each of the three years on all roads except the Bessemer & Lake Erie from Lower Lake ports to each group of furnaces where freight is the same, e. g.:

a—Mahoning and Shenango Valleys,
b—Wheeling district,
c—Pittsburg "
d—Columbus
e—Zanesville
(Red ink notation) "Sent 10/15/06."
(Pencil notation) "O. K."

14. Give total tons of ore hauled for Steel Corporation on Bessemer & Lake Erie road and amount of freight paid for each of the three years.
(Red ink notation) "Sent 10/15/06."
(Pencil notations) "Divide bet. B. & L. E., P. & C. D. Union R. R." "O. K. F."

15. Give total tons of ore hauled from mines direct to Chicago, Milwaukee and Joliet by rail with amount of freight paid for each year.
(Red ink notation) "Sent 10/15/06."
(Pencil notation) "O. K. F."

16. Give total tons of ore hauled from lake to Joliet and Union with amount of freight paid for each year.
(Red ink notation) "Sent 10/15/06."
(Pencil notation) "O. K. F."

17. State average rate of freight paid for each of the three years on coke from Connellsville field to

a—Pittsburg district,
b—Wheeling "
c—Valley "
d—Cleveland "
e—Chicago "
(Red ink notation) "Sent 10/15/06."
(Pencil notation) "O. K."

18. State average rate of freight paid for each of the three years on coke from Pocahontas field to

a—Columbus, O.,
b—Chicago, Ill.
(Red ink notation) "Sent 10/15/06."
(Pencil notation) "O. K."

19. State average rate of freight paid for each of the three years on coal from mines of Corporation in Pittsburg district to

a—Pittsburg district,
b—Valley "
c—Cleveland "
d—Chicago "
(Red ink notation) "Sent in ~~part 10/15/06~~ in full 11/5/06."

(Note. The words "part 10/15/06" in preceding paragraph are scored through with red ink on the original Exhibit.)

(Pencil notation) "O. K."

20. State average rate of freight paid for each of the three years on limestone from

Tyronne quarries to Pittsburg district,
Carbon " " Youngstown "
(Red ink notation) "Sent 10/15/06."
(Pencil notation) "O. K."

21. State the basis on which the charge for Depreciation and Extinguishment Funds for each year, amounting to $4,834,710.28 for 1902, $4,599,822.47 for 1903 and $3,907,166.55 for 1904, was arrived at. If on a different basis for different plants give the basis for each plant or group of plants.

(Pencil notation) "O. K. F."

22. Do the above charges for Depreciation and Extinguishment include the charge for exhaustion of ore in mines owned in fee and in mines operated on royalty for which a bonus has been paid? If not, how is this exhaustion taken care of?

(Pencil notation) "Yes." "O. K."

23. Give same information asked for in item No. 21 as to basis of charge for Extraordinary Replacement Funds for each of the three years, amounting in 1902 to $9,315,614.76, in 1903 to $9,297,530.89, and in 1904 to $8,667,044.36.

(Pencil notation) "O. K."

24. State on what basis the charge for Special Fund for Depreciation and Improvements amounting to $10,000,000 each in 1902 and 1903 was made.

(Pencil notation) "O. K."

25. Explain the charge for taxes in each year, amounting to $2,391,465.74 in 1902, $2,972,599.90 in 1903, and $3,052,967.09 in 1904, stating how much of each of these is made up of corporation taxes paid to state authorities for the Corporation or for subsidiary companies, and how much of local taxes on plants or material.

(Pencil notation) "O. K."

26. Give for each of the three years the division into Administration, Selling and General Expense of the charges of $13,202,398.89 for 1902, $11,942,916.42 for 1903, and $9,086,684.29 for 1904, describing the elements which go to make up each of the three divisions.

(Pencil notation) "O. K."

This description should show whether these items were all for the Corporation as such, or in whole or in part for some subsidiary corporations or particular plants; and, if the latter, which and how much for each.

(Pencil notation) Ditto mark under "O. K." in previous paragraph.

27. Give the main items making up the charges for 1903 of $393,917.34 and for 1904 of $305,475.16 to Miscellaneous Expenses.

(Pencil notation) "O. K."

28. Give the principal items making up the credits to net Miscellaneous Manufacturing and Operating Gains and Losses, amounting to $2,654,189.22 in 1902, $1,068,793.52 in 1903, and $293,666.75 in 1904.

(Pencil notation) "O. K."

29. Give the principal items making up the credits for Net Profits of Properties Owned but not Included, amounting in 1902 to $1,972,316.45, in 1903 to $1,327,730.59 and in 1904 to $548,934.80, stating for each from what properties the income is derived and how owned.

(Pencil notation) "O. K."

30. As to the credits for Interest and Dividends on Investments and on Deposits amounting to $3,454,135.50 in 1902, $2,220,819.58 in 1903, and $2,411,176.44 in 1904, state what part of each was for interest and what for dividends, describing the securities on which the latter were received.

(Pencil notation) "O. K."

31. Give for each year the origin and (details) of the amount of Contingent and Miscellaneous Operating Funds stated in Balance Sheets for 1902 as $3,413,783.50, for 1903 as $3,707,162.82 and for 1904 as $4,576,142.09.

(Pencil notation) "O. K."

32. State on what basis charges have been made each year for Insurance Fund, given in Balance Sheets for 1902, as $1,539,485.25, for 1903 as $2,524,368.01 and for 1904 as $3,224,224.26.

(Pencil notation) "O. K."

33. Give details as to each unit or integral addition to Manufacturing Properties aggregating $9,743,125.78 as stated on page 15 of Report for 1902, giving description with general dimensions, capacity and cost of each, and stating what, if anything, had been previously spent in the construction of each unit or integral addition here listed, and whether or not said unit or integral addition was completed when this charge was made.

(Pencil notation) "O. K."

(Red pencil check against this paragraph.)

34. Give similar information to that requested in item No. 33 as to additional construction and equipment for

a—Ore properties.

b—Coal and Coke properties.

mentioned on page 15 of Report for 1902.

(Red pencil check against sub-paragraphs a and b.)

(Pencil notation) "O. K."

35. Give statement of ore properties covered by item of $985,322 on page 17 of Report for 1902 showing:

a—Location and name, if any, of each property acquired,
b—Acreage, surface and mineral, and estimated amount of ore in each property acquired;
c—Price paid for each property and whether owned in fee or not;
d—Royalty per ton, if any, for each property.

State also acreage of other Real Estate, and of Timber Lands covered by item $565,659 on same page.

(Red pencil check against sub-paragraph (a))
(Pencil checks against sub-paragraphs (a) and (c).)
(Pencil notation) "O. K."

36. Give similar information to that asked for in item No. 35 as to additional coking and steam coal lands covered by charge of $258,480 on page 18 of Report for 1902.

(Pencil check against this paragraph.)

37. Submit statement showing for the items at foot of page 19 of Report for 1902, which make up the property acquired from the Union Steel Co. at cost to them, the actual cost of each item up to the time of acquisition which formed the basis of the purchase, giving description with general dimensions and capacity of each item, and stating as to each whether completed or not at time of acquisition.

(Pencil notation) "Do best we can."

(Words "up to the time of acquisition" underlined with pencil.)

38. Furnish statement of the ore and coal property and other lands included in the list at foot of page 19 of Report for 1902 which were acquired from Union Steel Co. on a basis not exceeding actual value at that date, showing:

a—Location and acreage of each property, both mineral and surface;
b—Description and value of improvements and equipment on each;
c—Estimated amount of ore or coal in each property;

d—Average analysis of ore in each mine;

e.—Value placed upon each property in making up the amount of purchase price paid vendors.

39. Submit statement showing in what manner the $8,421,189.04 mentioned on page 15 of Report for 1903 was applied to the various items in completing the Union Steel Co. properties, and what items described in the statement asked for in No. 37 were or were not completed on December 31, 1903 by this expenditure.

If any additions to this list were made or begun in 1903 from the $8,421,189.04, give general description and capacity of each, stating whether completed or not on December 31, 1903.

(Pencil check against last paragraph.)

40. Give distribution of the amounts expended for Construction and Additional Property in 1903 to the amount of $22,620,946.93, as stated on pages 30-34 of Report for 1903, showing:

(1) For each unit or integral addition to Manufacturing Properties, aggregating $13,617,466.85.

a—Description, general dimensions, capacity and amount expended on each.

b—What, if anything, had been previously spent in the construction of each, and in what cases each is identical with any uncompleted item in statement asked for in item No. 33;

c—Whether completed or not by this expenditure on December 31, 1903.

Some of these units will be the same as sub-items listed, but may need a fuller description.

(2) For additional construction and equipment of

1—Ore Properties,

2—Coal and Coke Properties,

information as to important items similar to that in (1) of

this item, identifying them with uncompleted items in statement asked for in item No. 34 so far as they are the same.

(3) For additional Ore Lands;

d—Location and name, if any, of each property acquired;

e—Acreage, surface and mineral, and estimated amount of ore in each;

f—Price paid for each property and whether owned in fee or not;

g—Royalty per ton, if any, for each property.

h—Acreage and cost of Timber Lands.

(4) For additional Coal lands:—same information asked for in (3) of this item. Sub-items (2), (3) and (4) aggregate $3,821,045.68.

(5) For the remainder some details are already furnished, but a more particular description may be given of the Newburgh and South Shore Railway ($746,848.80), the Ore Handling Machinery and Extensions at Conneaut ($314,517-.63) and the Elk Creek Property (included in $473,910.27).

(Pencil check against paragraph 40.)

(Red pencil checks against paragraphs (1); (2), 1; (2), 2; and (3), d.

41. Give distribution of the amounts expended for Construction and Additional Property in 1904 to the amount of $17,957,946.17 as stated on pages 19 and 20 of the Report for 1904, showing:

(1) For each unit or integral addition to Manufacturing Properties aggregating $12,191,595.88:

a—Description, general dimensions, capacity and amount expended on each;

b—What, if anything, had been previously spent in the construction of each, and in what cases each is identical with any uncompleted item in statement asked for in item No. 40 (1).

c—Whether completed or not by this expenditure on December 31, 1904.

(2) For additional construction and equipment of
1—Ore Properties,
2—Coal and Coke Properties
information as to important items similar to that in (1) of this item, identifying them with uncompleted items in statement asked for in item No. 40 (2) so far as they are the same.

(3)—For additional Ore lands:
d—Location and name, if any, of each property acquired;
e—Acreage, surface and mineral, and estimated amount of ore in each;
f—Price paid for each property, and whether owned in fee or not;
g—Royalty per ton, if any, for each property;
h—Location, acreage and cost of timber lands.

(4) For additional Coal lands:—same information asked for in (3) of this item. Sub-items (2), (3) and (4) aggregate $3,071,157.78.

(5) For Transportation Properties, description and cost of each principal item making up the amount expended for each transportation company as in previous years.
(Pencil check against paragraph 41.)
(Red pencil checks against sub-paragraphs (1), 1, 2, d and (5).)

42. Furnish statement of sales made or sales contracts entered into each month during each of the three years, except export sales, for any delivery, giving tonnage or quantity sold and average price of sales per ton or per unit at works for the following articles:

1—Steel rails—standard sections,
2—Steel billets—4" x 4" and larger,
3— " " —smaller than 4" x 4", long lengths,
4—Sheet and Tin plate bars,
5—Steel plates—base sizes and extras,

6—Steel beams and/or angles—base sizes and extras,
7—Merchant steel bars— " " " "
8—Steel tubes— " " " "
9—Wire rods— " " " "
10—Plain, smooth wire— " " " "
11—Barb wire— " " " "
12—Wire nails— " " " "
13—Black sheets— " " " "
14—Tin plate— " " " "

stating as to each the general terms of sale and whether subject to a discount for time of payment or other reason, and what in each case.

Sales under conversion contracts or sliding scale contracts should be separately given, stating basis.

(Pencil notation) "Selling Dept."

43. Furnish statement similar to that asked for in item No. 42 giving same information for each month of the three years as to all such articles sold for export.

44. Furnish statement giving actual producing capacity for the product or products for which it is best adapted of each of the plants listed on pages 34-40 of your Report for 1904—stating in each case what such products are, and classifying the main process substantially after the method of the Iron and Steel Works Directory.

(Red ink notation) "Sent 5/21/06. Total for all plants. Sent by plants, 6/22/06."

(Pencil notations) "O. K." "As at Nov. 1, 1904."

45. Furnish statement showing for each of the active iron ore mines listed on page 41 of your Report for 1904;

a—Acreage, surface and mineral,

b—Estimated amount of ore in each, stating amount of each grade if there are distinct grades;

c—Average analysis of ore mined at each during 1904, stating analysis of each grade if there are distinct grades;

d—Whether owned in fee or not, with amount of royalty per ton if not.

(Black ink notation) "Sent 7/10/07. See letter."
(Pencil notation) "J. Gayley."

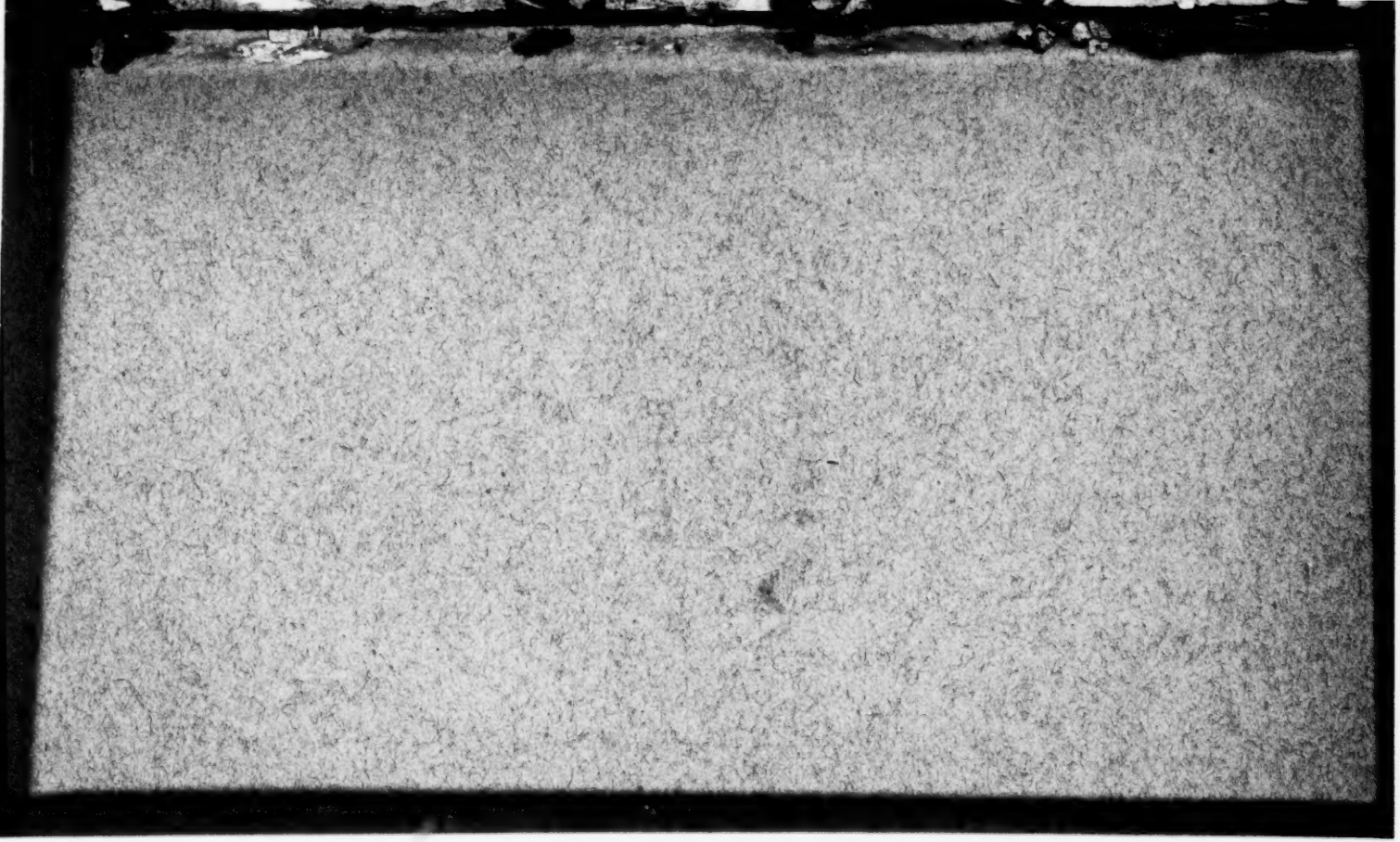
46. Furnish statement of all ore lands which the Corporation holds, or which the subsidiary companies hold, as stated at foot of page 41 of Report for 1904, showing;

a—Location and name, if any, of each property;
b—Acreage and estimated amount of ore in each;
c—Average analysis of ore so far as known;
d—Whether owned in fee or not, with amount of royalty per ton if not, identifying each with items in item No. 35, No. 40 (3), and No. 41 (3) above so far as they are the same.

(Black ink notation) "Sent 7/10/07. See letter."
(Pencil notation) "J. Gayley."

47. State what portion of the 62,984 acres of coking coal mentioned on page 42 of Report for 1904 is located in Connellsville basin proper and what portion outside that basin.
(Red ink notation) "Sent 7/29/07. See letter 7/29/07."
(Pencil notation) "J. Gayley."

48. State estimated quantity of coal in the 50,000 acres of Pocahontas coal with amount of royalty provided for in lease.
(Red ink notation) "Sent. See letter 7/29/07."
(Pencil notation) "J. Gayley."

49. Furnish statement showing estimated tonnage of coal in the steam coal properties mentioned on page 42 of Report for 1904.
(Red ink notation) "Sent. See letter 7/29/07."
(Pencil notation) "J. Gayley."

50. Furnish list of the 112 vessels making up the equipment of Pittsburg Steamship Co., mentioned on page 43 of Report for 1904, giving name, capacity, type and date of construction of each, and stating price of any purchased since Corporation was organized.
(Red ink notation) "Send July/06."
(Pencil notation) "H. Colby." "O. K."